



MYLLYN PARAS GROUP

BALANCE SHEET

30/06/2011

Address: Verkatehtaankatu 6, Hyvinkää

Legal domicile: Hyvinkää

Company Registration No.: 0213815-0

Valid until: 30/06/2021

Annual report and accounts for the financial year: 1/7/2010 – 30/6/2011

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The balance book must be maintained for at least 10 years from the end of the accounting period (KPL 2:10 §).

The accounting record for the relevant accounting period must be maintained for at least 6 years from the end of the year the accounting period closed.

Contact person for the annual report:

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Riihimäenkatu 87
05880 HYVINKÄÄ



MYLLYN PARAS GROUP

ANNUAL REPORT AND ACCOUNTS FOR THE FINANCIAL YEAR 1/7/2010 – 30/6/2011

Company structure and organisation

Merging Syrindi Oy Ltd Corporation into the group was brought up during the accounting period.

Development of the operational environment

Demand for mill products remained unaltered. Retail business markets for frozen pastry products decreased a little, while the HoReCa market increased by approximately 10 %. The market for frozen dough products remained unaltered.

Market position

The amount of grain products sold increased by 3.8 % to 73.2 million kg. (70.5 in 2009/2010).

The market leadership of the corporation became stronger in pastas and the market share sold with the Myllyn Paras-brand was over 40 % of the total Finnish market and over 50 % of retail business. The share of pasta products sold remained unchanged at the same level. The volume of flour decreased 3 % (retail business +/- 0, industry and bakery sales -5 %).

The volume of flake products increased by 2.7 % in the home market (retail business + 1.8 %, HoReCa- and bakery sales + 4.1 %).

Sales of Myllyn Paras frozen food products increased by 7.2 %.

The market share for Myllyn Paras frozen doughs increased and is now over 50 % and during the period between November-December an all-time sales record was achieved with the market share estimated to have increased to over 70 %.

Marketing investment in retail business emphasised the ready-baked Vierasvara products, however sales did not achieve the targeted goals. The focal area for the marketing of the HoReCa product was a new Tarjoilutuore concept which promoted Lippa-bagels to be its best selling product.

Sales within the HoReCa sector increased by 17.7 % and bakery sales decreased by 5.9 %. Bakery sales moved under the management of Leipuri Oy Ltd starting on 1/1/2011.

Turnover results for the group

The turnover for the group was 46.5 M€. The share of exports from this turnover was 6.9 % with exports oriented towards Russia and the Baltics.

Business profit was 4.3 M€ which amounted to 9.3 % of the turnover.

The result of the accounting period was 3.1 M€, which is 6.6 % of the turnover. The income from invested capital (before extraordinary items) calculated from this result was 10.2 %.



Finance

The self supporting level of the group was 57.2 %. In May, the corporation launched a hybrid loan of 15 M€ to strengthen its capital structure for future investments. The loan period is 5 years with 8 % interest.

Investments

The amount of investments were approximately 1.4 M€ and the amount of incomplete investments was 0.2 M€.

MYLLYN PARAS–GROUP	2007 FAS	2008 FAS	2009 FAS	2010IFRS	2011IFRS
Turnover	33.4 M€	42.1 M€	47.1 M€	44.8 M€	46.5 M€
-Share of export	6.5 %	6.9 %	7.0 %	7.1 %	6.9 %
Business profit	2.4 M€ 7.3 %	2.4 M€ 5.7 %	2.8 M€ 6.0 %	6.1 M€ 13.5 %	4.3 M€ 9.3 %
Self sufficiency level	47.5 %	42.7 %	42.5 %	47.8 %	57.2 %
Income of inv. Capital	11.4 %	9.2 %	9.9 %	19.2 %	10.2 %
Personnel	106	109	108	105	101
Self sufficiency level				Final statement amount – received advances	X 100
Income percentage of invested capital				Result before extraordinary items + interest costs and other finance costs	
				The final sum of statement (initial balance of accounting period + end balance: 2) – passive debts	X 100

Estimate of probable future development

No essential changes are expected to arise due to competition.

The corporation will continue its marketing investments in the Myllyn Paras-brand and bring new products and product groups to the market. The turnover and results are expected to remain on a good level.

The corporation invested in a local flake production unit in Russia. The production capacity for a new mill is 25,000 tons per year, which is double the amount when compared to the flake mill in Hyvinkää. It is located in Domodedovo on a 12 hectare site 60 km south from Moscow.

Myllyn Paras products have been exported to Russia since 1993 and the brand is well known to consumers there. The building of the factory will commence at the beginning of the next accounting period. The schedule for starting the factory does contain some risk. The total investment in Russia is approximately 40 M€.

Risks in the near future and factors of uncertainty

Some uncertainty is associated with the price development of raw materials and the grains that are most important to the corporation, which are wheat and oats. Sudden increases in price may affect the outcome since an equivalent direct increase in the sales prices is not always possible.



A currency risk is also associated with Russian investment because it is financed mainly with loans provided in Euros and project incomes and costs are handled in roubles. There is also a risk of the significant increase of interest rates associated with borrowing money. The corporation tries to control both risks with the partial protection of variable market instruments. Some delay may occur in the building schedule for the Russian factory due to, for example, official permits.

Clearance related to the extensiveness of research and development activity

The corporation has continued to invest in product development in both of the primary lines of operations. During the relevant accounting period, a total of 16 new products made by the corporation itself were introduced to the market.

Environmental factors

Environmental issues are an integral part of the corporation's system of operations and environmental development is managed in all partial areas of daily business operations.

The corporation ensures that packages delivered to the market are in accordance with the EU directive 94/62/EU and the decision 962/97 of the council of the state.

Management

Maino Savela (chairman), Paavo Prepula and Pekka Savela were members of Corporate Management during the relevant accounting period.

The Managing Director of the corporation is Pekka Savela.

Lauri Mäki worked as the KHT accountant.

Parent company shares

The parent company has 5,180 shares, and each share produces one vote in a company meeting. The shares have equal rights for dividends and company reserves. Shares are burdened by a redemption clause.

The management's presentation of procedures concerning the profit and loss of the parent company

The distributable owner's equity of the parent company is 18,489,570.37 Euros.

At the corporate meeting, the management suggested that dividends be distributed at 100.00 Euros/share, which is 518,000 Euros, which means that from shares available from the non-restricted equity capital, 17,971,570.37 Euros will remain, with 3,689,574.48 Euros in operating funds and 14,281,995.89 Euros in the profit and loss account.

	Reference	(Euros)	(Euros)
		1/7/2010 – 30/6/2011	1/7/2009 – 30/6/2010
CASH FLOW STATEMENT FOR THE GROUP			
ACTIVE OPERATIONS			
Turnover	1.3	46,526,550	44,839,256
Other income from business operations	4	454,180	234,758
Change in ready and incomplete product stocks		1,464,105	-679,870
Use of raw materials and utensils		-27,134,149	-22,321,282
Costs caused by employment benefits	7	-5,539,121	-4,882,327
Write-offs	6	-1,804,489	-1,714,744
Other costs of business operations	5	<u>-9,624,372</u>	<u>-9,415,986</u>
BUSINESS PROFIT		4,342,703	6,059,806
Financing incomes	9	374,741	325,149
Financing costs	10	<u>-521,246</u>	<u>-697,770</u>
PROFIT BEFORE TAXES		4,196,198	5,687,185
Income tax	11	<u>-1,141,503</u>	<u>-1,458,579</u>
ACCOUNTING PERIOD PROFIT FROM ACTIVE OPERATIONS		3,054,695	4,228,606
ENDED OPERATIONS			
Losses from discontinued operations during the accounting period	2	<u>-3,719</u>	<u>-354,751</u>
ACCOUNTING PERIOD PROFIT		3,050,976	3,873,855
TOTAL OVERALL RESULT OF THE ACCOUNTING PERIOD		3,050,976	3,873,855
Division of profits among the parent company owners		3,050,976	3,873,855
EARNINGS PER SHARE FOR PARENT COMPANY OWNERS			
SHARE-SPECIFIC RESULTS			
Undiluted earnings per share from active operations	12	590	816
Diluted earnings per share from active operations	12	590	816
Undiluted earnings per share from discontinued operations	12	-1	-68
Diluted earnings per share from discontinued operations	12	-1	-68



CONSOLIDATED BALANCE SHEET	Reference	(Euros) 30/06/2011	(Euros) 30/06/2010
ASSETS			
LONG TERM ASSETS			
Fixed tangible assets	13	16,529,655	16,819,082
Other intangible commodities	14	169,003	157,386
Investment properties	15	178,016	178,016
Other finance allowances	16	234,387	93,817
Debts	17	12,960,074	3,393,234
Deferred tax assets	18	86,544	86,323
		<hr/>	<hr/>
		30,157,679	20,727,857
SHORT TERM ASSETS			
Floating assets	19	8,969,069	7,238,870
Sales receivables and other receivables	20	10,798,673	6,788,446
Advance payments		296,232	892,610
Tax assets based on the taxable incomes for the accounting period		127,456	10,281
Financial assets	21	16,203,199	7,730,641
		<hr/>	<hr/>
		36,394,629	22,660,849
TOTAL ASSETS		<hr/> 66,552,308	<hr/> 43,388,706

BALANCE SHEET FOR THE GROUP

	Reference	(Euros) 30/06/2011	(Euros) 30/06/2010
OWNER'S EQUITY AND DEBTS			
OWNER'S EQUITY OF THE PARENT COMPANY BELONG TO THE OWNER			
Capital stock	22	103,600	103,600
Premium fund	22	16,400	16,400
Other fund	22	4,303,278	4,303,278
Equity loan	22	14,925,000	0
Accumulated earnings		18,682,413	16,317,567
OWNER'S TOTAL EQUITY		38,030,690	20,740,845
SHORT TERM DEBTS			
Estimated tax debts	18	1,442,296	1,207,446
Finance debts	23	19,241,437	14,552,059
Other debts		3,256	6,256
SHORT TERM DEBTS		20,686,988	15,765,761
Accounts payable and other debts	24	5,768,729	4,009,741
Accounts payable based on the taxable income of the accounting period		2,964	894,295
Short term finance debts	23	2,062,936	1,978,064
TOTAL DEBTS		28,521,617	22,647,861
TOTAL OWNER'S EQUITY AND DEBTS		66,552,308	43,388,706

CHANGES IN EQUITY OF THE GROUP OWNERS

	Capital stock	Premium fund	Other funds	Accumulated Profit funds	Equity loan	Total
Owner's equity 01/07/2009	103,600	16,400	4,303,278	11,841,636	0	16,264,914
Correction	0	0	0	-85,205	0	-85,205
Changes when transferring to IFRS	0	0	0	780,521	0	780,521
Corrected equity of the owners 01/07/2009	103,600	16,400	4,303,278	12,536,952	0	16,960,230
General result						
Accounting period result FAS	0	0	0	4,121,731	0	4,121,731
Changes when transferring to IFRS	0	0	0	-247,876	0	-247,876
Total general result for the accounting period	0	0	0	3,873,855	0	3,873,855
Business operations with the owners						
Distribution of dividends	0	0	0	-93,240	0	-93,240
Total business operations with owners	0	0	0	-93,240	0	-93,240
Owner's equity 30/06/2010	103,600	16,400	4,303,278	16,317,567	0	20,740,845

	Capital stock	Premium fund	Other funds	Accumulated Profit funds	Equity loan	Total
Owner's equity 01/07/2010	103,600	16,400	4,303,278	16,317,567	0	20,740,845
Corrected equity of the owners 01/07/2010	103,600	16,400	4,303,278	16,317,567	0	20,740,845
General result						
Accounting period result	0	0	0	3,050,976	0	3,050,976
Total result for the accounting period	0	0	0	3,050,976	0	3,050,976
Business operations with owners						
Distribution of dividends	0	0	0	-518,000	0	-518,000
Total business operations with owners	0	0	0	-518,000	0	-518,000
Equity loans						
Withdrawal of loans	0	0	0	0	14,925,000	14,925,000
Interest payable after loans	0	0	0	-168,131	0	-168,131
Owner's equity 30/06/2011	103,600	16,400	4,303,278	18,682,413	14,925,000	38,030,690

COMPANY REGISTRATION NO.: 0213815-0 LEGAL DOMICILE: HYVINKÄÄ

	(Euros)	(Euros)
	2011	2010
ASSET STATEMENT FOR THE GROUP		
Business activity		
Result of accounting period	3,050,976	3,873,855
Corrections:		
Write-offs and depreciations	1,804,489	1,743,901
Sales profit/ -loss of capital assets	10,335	6,543
Change in the exchange rate	116,868	0
Financing income and costs	146,505	376,477
	1,141,503	1,458,579
Taxation changes in net sales profit:		
Change in resources	-1,691,875	1,968,631
Change in interest-free receivables	-4,037,181	1,243,629
Change in interest-free debts	1,550,425	-660,890
Change in receivables with interest (short term)	-12,069	20,000
Paid interest and other finance costs	-472,435	-482,054
Received interests and other finance incomes	172,585	40,905
Paid taxes	-1,915,381	-706,889
Monetary supply of business activity	-135,255	8,882,687
Investments		
Share investments	-140,570	-12,900
Investing into tangible and intangible commodities	-1,056,996	-2,124,367
Transference income of tangible and intangible commodities	28,263	281,496
Total monetary supply of investments	-1,169,303	-1,855,770
Monetary supply before financing	-1,304,558	7,026,917
Financing		
Withdrawals of long term loans	10,000,000	3,447,200
Repayment of long term loans	-5,012,497	-1,099,712
Increases in long term receivables	-9,675,843	-1,198,569
Decreases in short term receivables	50,825	74,665
Increases in short term finance	210,000	120,000
Decreases in short term finance	-5,000	-3,145,000
Payments for financial leasing debts	-272,368	0
Dividends paid	-518,000	-93,240
Withdrawals of owner's equity loans	15,000,000	0
Sales of finance stocks	0	147,502
Total financing and money supply	9,777,116	-1,747,155
Increase/decrease of financial assets	8,472,558	5,279,762
Financial assets 1/07/2010	7,730,641	2,450,879
Financial assets 30/6/2011	16,203,199	7,730,641

FINANCIAL STATEMENTS FOR THE GROUP

Basic information

The parent company of the Myllyn Paras group is Myllyn Paras Oy Konserni Ltd with its legal domicile in Hyvinkää. Its registered address is Verkatehtaankatu 6, 05830 Hyvinkää.

The group manufactures, sells and markets flour, flakes, hulled grain and pasta, as well as frozen dough and frozen puff pastry. These form the two separate business operations of the group, which form their own segments: Mylly (mill) and Pakaste (frozen products).

A copy of the financial statement for the group is available online at the following address: www.myllynparas.fi or at the main office address of the parent company of the group: Verkatehtaankatu 6, 05830, Hyvinkää

The Management of the Myllyn Paras Oy Konserni Ltd. have accepted that this financial statement will be made public on 28/08/2011. According to the Finnish Companies Act, the owners of shares have the opportunity to accept or reject the balance sheets during the company meeting held after it has been made public. The corporate meeting also has the opportunity to make any decision regarding any changes to the financial statement.

Principles of writing

Grounds of writing

The balance sheets of the group were written according to the International Financial Reporting Standards, IFRS, for the first time and to IAS and IFRS-standards as well as SIC- and IFRIC interpretations which are valid as of 30/06/2011, were adhered to during the writing process. By international financial reporting standards, we mean the standards given under the Finnish Accounting laws and regulations according to the method established in EU-order no. 1606/2002, which are to be applied and approved in the EU and interpretations made on them. The reference material for the financial statement for the group is also according to the Finnish requirements for accounting and community law enforcement, thus completing IFRS regulations.

The date on which the group will transfer to IFRS is 07/01/2009. The group has written an opening statement according to the IFRS principle. Previously the group adhered to the Finnish Accounting Standards, FAS. All comparable information for the year 2010 was updated in accordance with IFRS regulations.

The financial statement for the group has been written based on the original initial investments, except for the finance allowance for sales, fair value finance allowances and debts to be written off from the group's income effectively, as well as protection targets for covering fair value and share based business operations to be performed as cash.

The currency used in the financial statement is Euros, and the balance sheet is expressed in Euros. The bridge calculation for transfer to the IFRS of the reference material is expressed in thousands of Euros.

CONSOLIDATED FINANCIAL STATEMENT**Extensiveness and calculating the principles of the balance sheet of the group****Daughter companies**

The balance sheet for the group contains the parent company, Myllyn Paras Oy Ltd, and the daughter companies owned either directly or indirectly by it which the group maintains authority. Authority is established when the group owns more than half of the votes or it otherwise has the right to control the economic and business principles of the company to gain operational returns.

The balance sheets of the group contain the following domestic and foreign daughter companies, of which shares of 99 - 100 % are in the parent company's ownership: Myllyn Paras Oy Ltd, Myllyn Paras Oy Ltd Pakasteet, MP Russia Oy Ltd (previously functioned under the name of Myllyn Paras Oy Ltd Kehitys (Development)), MP Tehdaspalvelut Oy Ltd, MP Pakastetehdaspalvelut Oy Ltd, Myllyn Paras OU, UAB Agrosoma and Osaihing Seventeen.

UAG Agrosoma merged with the group until it was closed on 14/02/2011. Lithuanian authorities confirmed the closing of the corporation on 25/08/2011. The group maintained neither a profit nor loss as a result of the closure.

The central share ownership on the balance sheet for the consolidate company is eliminated with the initial investment method. Business operations between groups, internal receivables, the internal distribution of profits and the unrealised profits of the group's internal deliveries are eliminated when developing the financial statement for the group.

Segment reporting

Segment information is shown according to the manner in which the operational management is presented during internal reporting. The operational management answers for targeting the resources of activity segments and for estimating their results.

Changing batches into the amount of foreign currency

The result of the consolidate company's units and their economic status is measured in the currency that is the currency of each main activity's environment for those units (activity currency). The activity and presentation currency of the group's parent company is the euro.

Business operations in the amount of foreign money

Business operations in foreign currency are recorded in the form of activity currency by using the exchange rate of the transaction date. Monetary batches of foreign money are changed into the amount of activity currency by using the rates valid on the day of the closing of the accounts. Non-monetary batches are valued at the rate valid on the transaction day. The profits and losses arising from business operations in foreign money and the changing of the monetary batches are managed effectively. The stock price gains and losses connected with the actual business activity contain the respective batches, which go beyond the business result. Differences in finance rates are registered in the finance income and costs.

CONSOLIDATED FINANCIAL STATEMENTS

Changing the balance sheet for the foreign group

No translation difference appeared from the changing of the balance sheet of the foreign group as the activity currency of the units is connected to the euro for the time of activity.

Fixed tangible assets

Fixed tangible assets are valued with an original initial investment that is decreased by accumulated write-offs and depreciations. When a part of a tangible asset is managed as a separate asset, the expenses connected to its renewal are activated. In other cases, any expenses appearing later are only included in the carrying value of the fixed tangible assets if it is likely that an economic benefit that is unfavourable to the connecting assets represents the benefits of the group and the initial investments of the asset can be dependably defined. Other corrective and maintenance expenses are registered effectively after their realisation.

Straight line depreciation is performed on fixed tangible assets during an estimated economic life expectancy. No depreciations are performed on land areas and art.

The estimated economic life expectancy is:

Buildings and constructions	30 years
The technical parts of buildings	15 years
Production machines	10 - 20 years
Office equipment	15 years
Cars	7 years
IT equipment and office machinery	5 years
Other machines and devices	5 - 10 years

Profits and losses from sales are defined as the difference between the sales price and accounting value and all profits and losses from sales are included in the income statement along with income and expenses related to other business activity.

Fixed tangible asset depreciations end when they are classified as an IFRS 5 on sale according to the *Long term assets and ended operations on sale-standard*. The tangible assets on sale are valued according to their book value or at a lower fair value decreased by sales expenses. The asset, such as a production plant completing its terms, and its associated investment costs are included directly in the foreign current capital expenses arising from the acquisition of the asset in question, whether such are from building or manufacturing, when it is probable that they will accumulate against economic benefit and when expenses can be reliably defined. Other expenses of foreign capital are logged as costs from the accounting period during which they developed.

Investment estates

Investment estates are estates which the group holds to obtain income from rent or increases in the value of the property. Investment estates are valued at the amount of their initial investments.

CONSOLIDATED FINANCIAL STATEMENTS**Intangible assets****Research and development expenses**

Research expenses that are logged as costs have effective results. Development expenses are listed in the statement as intangible assets since the product is technically available for realisation, it can be utilised commercially, the product is expected to receive unfavourable economic benefits and the entity can define the costs reliably when they arise from an intangible asset during its developmental phase. Development expenses previously logged as costs are not listed during later accounting periods. The group does not have any development expenses included in its balance at the moment of balancing the sheets.

Brands

Brands are listed in the statement as initial investments if the initial investment can be defined reliably and it is probable that the economic benefit to be expected is for the benefit of the group. Brands are logged as a straight-line depreciation cost due to the resulting calculation performed during their known or estimated economic duration of action.

The depreciation of brands is based on the following economic duration of action to be expected:

Brands	5 years
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Other intangible commodities

Intangible commodities are logged in the balance at the amount of the original initial investment if the initial investment is reliably definable and it is probable that the economic benefit to be expected is for the benefit of the group. Intangible commodities are logged as straight-line depreciation costs in the income statement during the known or estimated economic duration of action.

The depreciation of other intangible commodities is based on the following economic duration of action to be expected:

Other intangible commodities	5 years
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Floating assets

Floating assets are valued in the initial investments or the net realisation value below it. An initial investment is defined through the FIFO-method (first in, first out). An initial investment in complete and incomplete products is formed by raw materials, from expenses caused by direct work performance, other indirect expenses and proper shares from both the changing and fixed general expenses of production, based on the normal activity level. An initial investment does not include foreign capital expenses.

The net current assets for sale and discontinued operations

Long term net current assets and the net current assets and debts connected to discontinued operations are classified as being on sale if the amount corresponding to their bookkeeping value will accumulate mainly from selling the property instead of continuing to use it. At this time, sales are considered to be very probable, net current assets are for sale in their current conditions, the management is obliged to sell and sales are expected to take place a year from the classification. Net current assets for sale and net current assets connected to discontinued operations, which are classified as being on sale, are valued at one of the following: bookkeeping value or fair value derived from expenses arising from the sale. Depreciations from these net current assets end when they are classified. The results of discontinued operations are presented as their own assets in the general income statement. All net current assets for sale and the debts connected to them are presented in the balance, separated from other assets.

CONSOLIDATED FINANCIAL STATEMENTS

The group did not have any net current assets classified for sale.

Under discontinued operations, the statement of the discontinued daughter company from the suspended accounting period of the corporation was presented.

Lease agreements**The group as the leasing party**

Lease agreements connected to tangible and intangible assets, in which the group takes an essential part in the risks and benefits characteristic of ownership, are classified as financial leasing agreements. Property gained from a financial leasing agreement is logged in the balance at the fair value of the leased commodity at the starting time of the leasing period or at a lower current value for minimum lease payments. The leasing payments to be paid are divided into financial expenses and debt deductions. The financing interest is logged in the income statement during the leasing agreement in such a way that the remaining debt will have an equal size interest percentage for each accounting period. Depreciation is carried out on the gained commodity through a finance leasing agreement during the economic duration of action of the commodity or a leasing time shorter than that. Leasing liabilities are included in the financial debts.

Leasing agreements, for which the risks and benefits characteristic of ownership are maintained lessee, are managed as other leasing agreements. Leases defined according to other leasing agreements are logged as a result of effective expenses in equal batches during the leasing period.

The group as the lessor

Leasing agreements in which the group is the lessor are classified under all other leasing agreements. Assets are listed under the tangible capital assets and investment properties of the group.

The depreciation of tangible and intangible assets

Impairment losses are logged when the account value of the asset is greater than the amount of funds accumulated from it. An impairment loss that is logged has an effective result. In connection with the logging of an impairment loss, the economic duration of action of assets targeted for write-offs are re-evaluated. An impairment loss of tangible capital assets and intangible assets, except for the business value, are withdrawn if a change occurred in the circumstances and the amount of asset funds to be accumulated changed from the time of logging the impairment loss. However, an impairment loss is not withdrawn in any amount greater than what the bookkeeping value of the asset would be without logging the impairment loss.

The group does not have logged impairment losses.

Employee benefits**Pension liabilities**

Pension arrangements are classified as benefit-based and payment-based arrangements. With payment-based arrangements, the group makes fixed payments to a separate

CONSOLIDATED FINANCIAL STATEMENTS

unit. The group does not have any judicial or factual liabilities to make additional payments if the recipient of the payment cannot manage to pay the pension benefits in question. All arrangements which do not meet these criteria are considered as benefit-based pension arrangements. Payments made as a result of payment-based pension arrangements are logged in order to have an effective result during the accounting period that the payment is made.

The group only maintains payment-based pension liabilities.

Stipulations and conditional debts

A stipulation is logged when the group has a judicial or factual liability due to an earlier event, when the realisation of payment liability is probable and the amount of liability can be reliably estimated. The stipulation is valued to cover the liability at the current value of the demanded expenses. The discounting factor used in the present value is selected in such a way that it reflects the view of the market at the current time-value of the currency in question, as well as the risk connected with the liability. If part of the liability can result in reimbursement from a third party, the reimbursement is logged as a separate property batch, but only during the phase when receiving the reimbursement is practically sure. The amount of these stipulations is estimated on each day the accounts are closed and the amounts are changed to correspond to the best estimate at the moment of observation. Any changes in the stipulations are logged in the income statement in the same batch where the stipulation was originally logged.

A rearrangement stipulation is logged when the group has written a detailed rearrangement plan and commenced the implementation of the plan or communicated the matter.

Unprofitable agreements receive a logged stipulation when the necessary expenses for completing the liabilities exceed the benefits received from the agreement.

Environmental liabilities are stipulated when the group is liable due to environmental legislation and the environmental responsibilities connected to the decommissioning of the production plant, repairing environmental damage or relocating machinery from one location to another within the group.

CONSOLIDATED FINANCIAL STATEMENTS

Conditioned debt is any possible liability arising from earlier events, the existence of which is secured only after the uncertain event outside the authority of the group is realised. Also, conditioned debt is considered to be an existing liability that probably does not presuppose fulfilling the payment liability or the scope of which is not possible to define in a reliable manner.

The group has no logged stipulations or conditioned debts.

Taxes based on the taxable income of the period and estimated taxes**Income taxes**

Tax expenses are formed due to a change in taxes, which is based on the taxable income of the accounting period and estimated taxes. Taxes are logged in order to have an effective result, except when they are associated with a general income statement or batches logged in the direct owner's equity. Thus, the tax effect is also logged with the corresponding batches. Taxes based on the taxable income of the accounting period are calculated from the taxable income, on the basis of the tax base valid in each country. All taxes are corrected with all possible taxes connected to the previous accounting periods.

Estimated taxes

Estimated taxes are calculated with the temporary differences in the accounting value and taxable value. The most significant temporary differences emerge from write-offs from tangible and intangible commodities, as well as unused fiscal losses. Investments into the daughter company come with estimated taxes that are not logged in such a way that the group can define the dismantling time, whereas the temporary difference and difference is probably not dismantling it in the predictable future. Estimated taxes are calculated by using the imposed tax bases used until the date on the balance sheet or those tax bases whose approved content has been noted as of the date on the balance sheet. Estimated tax claims are logged at the maximum estimated amount that the taxable income will probably be in the future, in exchange for what temporary difference can be utilised.

Entering as an income principle

Earnings received for selling products and services at fair value are presented as the turnover, corrected with valued indirect taxes, reductions and exchange rate differences associated with currency-specific sales.

Sold goods and services

Income from the sale of goods is logged when the significant risks, benefits and authority connected with the ownership of goods are transferred to the buyer. Income for services is logged when the service has been performed.

Lease income

Lease income is entered under income as an annuity for a lease period.

CONSOLIDATED FINANCIAL STATEMENTS**Income from rent as an investment in property**

Income from renting investment property is logged in order to have an effective result as an annuity for the entire leasing period.

Discontinued operations

The results of discontinued operations have been presented as their own assets in the general income statement of the group.

Financial stocks and financial debts**Financial stocks**

The financial stocks of the group are classified in the following groups:

Financial stocks, loans and other receivables are to be logged at fair value in order to have an effective result, as well as place financial stocks on sale. This classification takes place on the basis of the acquisition of financial stocks, and they are classified in connection with the original acquisition. Transaction expenses are included in the original bookkeeping value of the financial stocks when the matter concerns a batch that is not evaluated at fair value, in order to have an effective result. Financial stocks and debts are logged on the closing day for the accounts, except for derivatives, which are logged on the day of business. Writing this off of the financial stock statement takes place when the group has lost the contracted right to money supply or when it has transferred risks and income outside the group from a significant party.

- **Financial stocks to be logged at fair value in order to have an effective result**

Financial stocks are to be kept for business purposes. This group includes bond loans, investment and company certificates and fund units. Derivatives that do not fulfil the terms of the hedging evaluation have been classified as being kept for business purposes. Stocks kept for business purposes are all short term stocks. Financial stocks to be kept for business purposes are acquired to receive short term income from market price changes. Group batches are evaluated at fair value, and the fair value of all investments in this group is determined on the basis of a quoted price announced on the market, which is the quoted buying price on the date on the balance sheet. The fair values of the interest rate swap are determined as the prospective present value of money supply, and then the currency exposure agreement is valued again according to the currency exposure rates on the date on the balance sheet. Realised and unrealised profits and losses acquired due to fair value changes are logged in order to have an effective result for the period during which they occurred.

- **Loans and other receivables**

Loans and other receivables are resources not belonging to derivative resources, the payments of which belonging to it are fixed or to be determined and are not quoted on functioning markets, and the group does not keep them for business purposes. This group contains financial instruments comprising of financial stocks, sales and loan receivables and receivables carried forward. They are valued at the amount of the serially arranged initial investment. Loans and other receivables are

included as both short and long term financial stocks. Long term financial stocks include batches that are due over 12 months from now. Loans and other receivables are classified as short term financial stocks, unless the group has an unconditional right to delay the loan payment until at least 12 months from the ending day of the reporting period.

- **Financial stocks on sale**

Financial stocks on sale are stocks that are not categorised as derivative stocks, which are mostly assigned to this group. They are valued at fair value, or if fair value is not reliably available, at the amount of the initial investment. If no listed rates are available for financial stocks on sale, the group applies a current business rate between independent parties. The fair value of the financial stocks on sale is logged in other general result batches and they are able to be presented at fair value by paying attention to the tax influence. Changes in fair value are transferred from owner's equity as a result of effective classification correction, either when the investment is sold or when its value has been lowered in such a way that the impairment loss is logged with the investment.

Financial assets

Financial assets consist of cash, when required, the withdrawal of bank deposits and other short term, liquid investments.

Financial liability

Financial liabilities are logged originally at fair value in the bookkeeping. Transaction expenses are included in the serially-arranged initial investment in the original bookkeeping value of valuable financial liabilities. Later, the financial liabilities, except for the derivative taxes, are valued via an effective interest-method for serially-arranged initial investments. Financial liabilities include both long and short term debts, and they can come with interest or be interest-free. Financial liabilities are classified as short term, unless the group has an unconditional right to delay payment of the debt until at least 12 months from the last day of the reporting period.

Expenses from foreign capital are directly caused by acquiring, building or manufacturing and thus fulfilling the terms of net current assets, which are listed as part of the initial investment of the net current assets in question, when it is both probable that they will produce a prospective economic benefit and when the expenses can be reliably determined. Other expenses from foreign capital are logged as costs from the period during which they developed. Arrangement fees connected to loan commitments are logged as transaction expenses up to the amount it is probable that the entire loan commitment or part of it will be withdrawn. At this time, the fee is logged into the statement until the loan is withdrawn. In connection with loan withdrawal, the arrangement fee associated with the loan commitment is marked as part of the transaction fee. As far as it is probable that the loan commitment will not be withdrawn, the arrangement fee is logged as an advance payment for a service associated with liquidity and is serially-arranged as an expense for a period of loan commitment.

CONSOLIDATED FINANCIAL STATEMENTS

Depreciation of financial stocks

The group estimates on each balance sheet date if there is any objective view about the depreciation of each batch belonging to the financial stock or group of financial stocks. Depreciation loss is logged in the balance for the initial investment serially-arranged for loans and other receivables whose size is determined by the bookkeeping value of the owner's equity and the original effective interest of the batch belonging to the financial stocks in question, discounted as the difference of the present value of prospective money supply. The owner's equity-termed investment depreciations from classified financial stocks on sale are logged in order to have an effective result when there is an objective demonstration about the owner's equity value depreciation. These depreciation losses are not suspended, in order to have an effective result.

The group logs sales receivables as a depreciation loss when there is an objective demonstration about the fact that the receivable could not be recovered completely. Any significant economic difficulties of the debtor, the probability of bankruptcy or negligence of payment are demonstrations of the depreciation of sales receivables. They are logged in order to have an effective result. If the amount of depreciation decreases during one of the accounting periods after logging it, the logged loss is suspended in order to have an effective result.

Derivative contracts and protective calculation

Derivative contracts are logged in the initial investments for accounting, which correspond to the fair value. After acquisition, derivative contracts are valued according to fair value. Gains and losses that arise from valuing an item at fair value are managed according to the purpose of use of the derivation agreement for bookkeeping. The group may use, according to the control policy for financial risks, various kinds of derivations to protect itself from interest, currency and commodity price risks. Interest exchange agreements are used to protect the group from market interest changes. Forward exchange is used to protect both currency-definite receivables and debts and future business money supplies. Although protections fulfil the requirements of the effective protection set by the risk control policy of the group, no protective calculation according to IAS 39 is applied in the group at the moment.

Fair value changes in the interest exchange agreement are logged as financial income and costs. Changes in the fair values of any forward exchange are logged as other income and expenses of business operations and the influences of FE interest elements are logged as financial income and expenses.

Owner's equity

Myllyn Paras Oy Ltd Group launched an equity bond (also known as a hybrid loan) from the owner's equity, for the amount of 15 million Euros on May 10th 2011. An owner's equity loan does not have a due date, but Myllyn Paras Oy Ltd Group has the right, not the liability, to reclaim the loan in 5 years. The annual interest, according to the agreement, is 8 %. The loan is classified in the consolidate company's statement as owner's equity and the paid interest is presented according to its nature as a distribution of dividends.

Business profits

IAS 1 Presenting the financial statement standard does not determine the concept of business profits. The group has determined it in the following manner: business profit is the

CONSOLIDATED FINANCIAL STATEMENTS

net amount that is formed when the other income of the business activity is added to the turnover, the purchase costs are subtracted and corrected with all complete and incomplete product stock changes and expenses arising from personal usage, and any expenses caused by employee benefits, write-offs and possible derivation losses, as well as other expenses of business operations, are subtracted. All others, except for the previously-mentioned income statement batches, are presented under the business profits. Differences in rates and fair value changes from derivations are included to the business profit if they arise from batches associated with business operations; otherwise, they are logged as financial items.

Writing principles requiring the director's consideration and the central uncertainty factors associated with estimates

The directors of the group form solutions based on considerations that relate to the selection of writing principles and their application.

The estimates of the directors of the group are mainly associated with the valuation of property and the applied economic holding time, the amount of non-marketable floating assets, as well as the utilisation of estimated tax receivables against the taxable income of the future.

The application of the new and revised IFRS-standards

The IASB has publicised the following new and revised standards and interpretations, which are not yet valid and which the group has not yet applied. The group is planning to apply each standard and interpretation on the date it becomes effective, or if the standard or interpretation becomes valid in the middle of an accounting period, at the beginning of the accounting period after its effective date.

The revised IAS 24 Information related to the balance sheet (valid during the accounting periods from or starting after 1/1/2011). In the revised standard, the related definition has been clarified and simplified. Those communities that are bound to the public authority have been eliminated from the requirement of presenting the details of realised business operations, together with the other communities that are associated with public authorities.

IFRS 9 *Financial stocks – classification and valuation* (valid during the accounting periods from or starting after 1/1/2013). The standard represents the first stage of the IASB-process, which aims to replace IAS 39 *Financial instruments: logging and measurement with the new financial standard*. The standard contains new kinds of requirements about financial allowance classification and valuation. The directors of the group are clarifying the effects of the standard on the balance sheet of the group. The standard has not been approved to be applied in the EU.

IFRS 9 *Financial debts – classification and valuation* (valid for accounting periods from or starting after 1/1/2013). This completes the first phase of the previously-mentioned IAS 39 renewal concerning financial stocks classification and valuation. According to the new standard, all financial debt logging and valuation should remain the same, except for those debts to which the fair value option is applied. Changes are not expected to influence the bookkeeping or handling of financial debts in the group. The standard has not been approved to be applied in the EU. The entire influence of IFRS 9 is only at the stage of evaluation.

REFERENCE MATERIAL FOR THE GROUP
1. Segmentation information

The management has divided the operation of the two separate lines of business: Mylly division and Pakaste division.

Two of the group's factories are located in Hyvinkää.

Flours, flakes, peeled grains and pastas are produced in Mylly.

The Pakaste factory concentrates on the preparation of frozen dough and frozen pastries.

Division according to line of activity 1/7/2010 – 30/06/2011

	Mylly	Pakaste	Others	Total
Domestic trade	26,240,996	17,143,854	1,800	43,386,650
Foreign trade	3,139,108	792	0	3,139,900
Incomes from sales to other sectors				
Goods	1,099,912	74,276	0	1,174,188
Services and leasing activity	0	36,000	3,550,001	3,586,001
Total	1,099,912	110,276	3,550,001	4,760,188
Other income from business activity	128,127	10,680	329,533	468,340
Business profit	2,659,291	1,569,518	113,894	4,342,703
Interest from external income	69,637	122	304,981	374,741
Interest income from other sectors	0	104,875	125,579	230,454
Total Interest incomes	69,637	104,998	430,560	605,195
External interest expenses	39,637	91,338	66,523	197,499
Interest expenses to other sectors	125,579	0	104,875	230,454
Total interest expenses	165,216	91,338	171,399	427,953
Write-offs	571,477	1,052,964	180,048	1,804,489
Reportable results from the sector before income tax	2,536,255	1,582,866	77,077	4,196,198
Other significant batches which do not include a payment event				
Depreciation	0	0	169,764	169,764
Assets				
Assets of reportable sector	19,060,763	14,888,393	32,389,151	66,338,307
Investments	649,202	643,878	148,322	1,441,402

The assets of sectors neither include deferred tax assets nor tax receivables based on the taxable income for this period.

REFERENCE MATERIAL FOR THE GROUP
Debts

Debts of the reportable sector	7,512,001	7,495,191	12,069,166	27,076,357
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The debts of the sector neither include the deferred tax debts nor tax debts based on the taxable income for this period.

Division according to business activity sectors 1/7/2009 – 30/6/2010

Result	Mylly	Pakaste	Others	Total
Domestic trade	25,577,137	15,941,809	1,800	41,520,746
Foreign trade	3,314,455	4,055	0	318,510
Incomes from sales to other sectors				
Goods	1,113,596	9,647	180,359	1,303,602
Services and leasing activity	0	36,000	2,950,000	2,986,000
Total	1,113,596	45,647	3,130,359	4,289,602
Other income of the business activity	167,645	7,216	74,057	248,918
Business profit	4,951,140	1,264,317	-155,651	6,059,806
External incomes from interest	102,872	135	97,155	200,162
Interest incomes from other sectors	12,281	139,767	176,588	328,636
Total interest incomes	115,153	139,902	273,743	528,798
Interest expenses for outsiders	52,974	165,021	451,910	669,905
Interest expenses to other sectors	176,588	0	152,048	328,636
Total interest expenses	229,562	165,021	603,958	998,541
Write-offs	467,325	1,081,195	166,224	1,714,744
Result of reportable sector before income tax	4,834,650	1,238,923	-386,388	5,687,185
Assets				
Assets of reportable sector	24,481,713	13,704,595	5,105,793	43,292,102
Investment	2,125,964	213,276	433,393	2,772,633

The debts of sectors neither include deferred tax assets nor tax receivables based on the taxable income for this period.

Debts

The debts of the reportable sector	7,869,816	9,430,428	3,245,875	20,546,120
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The assets of sectors neither include deferred tax assets nor tax receivables based on the taxable income for this period.

REFERENCE MATERIAL FOR THE GROUP

Balancing calculations	2011	2010
Incomes		
Incomes of the reportable sectors	51,755,078	49,377,776
Migrating the incomes between sectors	<u>-4,774,348</u>	<u>-4,303,762</u>
Total incomes of the group	46,980,730	45,074,014
Result before taxes		
Result of reportable sectors	4,196,198	5,687,185
Total result of the group before taxes	4,196,198	5,687,185
Assets	2011	2010
Assets of reportable sector	66,338,307	43,292,102
Total assets of the group	66,338,307	43,292,102
<p>The assets of sectors neither include deferred tax assets nor tax receivables based on the taxable income for this period.</p>		
Debts		
The debts of the reportable sector	27,076,357	20,546,120
Total debts of group	27,076,357	20,546,120
<p>The debts of sectors neither include deferred tax assets nor tax receivables based on the taxable income for this period.</p>		
Interest yields		
Total reported sectors	605,195	528,798
Eliminating the interests between sectors	<u>-230,454</u>	<u>-328,636</u>
Total interest yields of the group	374,741	200,162
Interest expenses		
Total reportable sectors	427,953	998,541
Eliminating the interests between sectors	<u>-230,454</u>	<u>-328,636</u>
Total interest expenses of the consolidating company	197,499	669,905
Investments		
Total reportable sectors	1,441,402	2,772,633
Total investments of the group	1,441,402	2,772,633
Write-offs		
Total reportable sectors	1,804,489	1,714,744
Total write-offs of the group	1,804,489	1,714,744
Depreciations		
Total reportable sectors	169,764	0
Total depreciations of the group	169,764	0

REFERENCE MATERIAL FOR THE GROUP

Geographical allocation of turnover	2011	2010
Home	43,309,179	41,759,607
EU Country	681,347	541,271
Other Countries	2,536,024	2,538,378
Total	46,526,550	44,839,256

10 % of turnover and greater

The turnover from the three customers exceeded 10 % of turnover for the group.

Sales over 10 % of the turnover of the group		1/7/2010 - 30/6/2011		1/7/2009 - 30/6/2010	
Major customers per sales / segment		Turnover	%	Turnover	%
1. Customer	Mylly ja Pakaste	8,833,778	19.0 %	9,328,563	20.8 %
2. Customer	Pakaste	7,639,094	16.4 %	7,066,383	15.8 %
3. Customer	Mylly	7,430,953	16.0 %	7,869,619	17.6 %

2. Long term assets on sale and discontinued operations

The 100 % daughter company, OOO Agrosoma in Lithuania, suspended its operations on 14/2/2011.

The suspension of the corporation was confirmed by the authorities on 25/8/2011.

No profit or loss arose from the suspension of the group.

Result of the discontinued operation	1/7/2010 - 14/2/2011	1/7/2009 - 30/6/2010
Incomes	0	246,857
Expenses	-3,719	-601,608
Result before taxes	-3,719	-354,751
Result after taxes	-3,719	-354,751
Loss of balance sheet due to discontinued operations	-3,719	-354,751

Money supply of the discontinued operation

Money supply of the business activity	0	-230,968
Money supply of investments	0	179,625
Total money supply of the discontinued activity	0	-51,343

The effect of the discontinued unit to the economic status of the group

The suspension of the unit had no effect on the economic status of the group.

3. Turnover	2011	2010
Turnover from selling goods	46,524,750	44,837,456
Turnover for services	1,800	1,800
Total	46,526,550	44,839,256

REFERENCE MATERIAL FOR THE GROUP

4. Other operating income	2011	2010
Profits from property items	2,967	0
Rental income from investment property	28,581	34,372
Other income	<u>422,632</u>	<u>200,386</u>
Total	454,180	234,758
5. Other operating expenses	2011	2010
Sale losses of capital assets and liquidations	13,302	6,543
Rental expenses	736,358	406,047
External services	1,111,040	1,311,830
Other expenses	<u>7,763,673</u>	<u>7,691,566</u>
Total	9,624,372	9,415,986
Auditor's fees		
Audit	18,500	24,526
Other statutory commissions	<u>0</u>	<u>1,554</u>
	18,500	26,080
6. Depreciation and reduction in value	2011	2010
Depreciation of commodity groups		
Intangible assets		
Trademarks	10,955	15,072
Other intangible assets	<u>59,615</u>	<u>53,951</u>
Other intangible assets total	70,570	69,023
Property, plants and equipment		
Buildings and structures	466,898	434,529
Machines and equipment	1,205,226	1,151,840
Motor vehicles	<u>61,794</u>	<u>59,351</u>
Property, plants and equipment total	1,733,919	1,645,721
Depreciation and reduction in value	1,804,489	1,714,744
7. Expenses from employee benefits	2011	2010
Salaries	4,574,347	4,023,944
Pension expenses, defined contribution plans	799,310	678,508
Other staff expenses	<u>165,463</u>	<u>179,876</u>
Total	5,539,121	4,882,327
Board members and CEO		
Salaries, fees and other remunerations	73,333	75,508

REFERENCE MATERIAL FOR THE GROUP

	2011	2010
Group staff, average		
Myllyn Paras Oy (Mylly segment)	36	37
Myllyn Paras Oy Frozen Foods (Frozen food segment)	35	37
Myllyn Paras Oy Group	29	28
Others	<u>1</u>	<u>3</u>
Total	101	105
Management	39	41
Workforce	<u>62</u>	<u>64</u>
Total	101	105
8. Research and development expenses	2011	2010
Product development expenses	29,622	59,334
9. Financial income	2011	2010
Interest income from investments held until the expiration date	374,741	200,162
Other financial income	<u>0</u>	<u>124,987</u>
Total financial income	374,741	325,149
Financial expenses rectified by the exchange rate profit	0	21,329
The exchange rate profits are included in the sums above the business profit.		
Turnover	0	238,861
Use of raw materials and consumables	<u>0</u>	<u>1,201</u>
Total	0	240,062
10. Financial expenses	2011	2010
Sums recognised as profit or loss		
Interest expenses for the amortised cost		
for appreciated financing loans	338,191	415,632
Losses for the reduction in value of rights under the loan	169,764	0
Value changes in the current value for financial assets		
recognised in profit and losses		
-alternative for the current value	56,116	357,130
Exchange rate losses at amortised cost	34,487	0
Other financing expenses	<u>49,187</u>	<u>64,779</u>
Total financing expenses	647,745	837,541
Activated expenses for liabilities		
induced by the acquisition of an asset fulfilling the conditions	<u>-126,500</u>	<u>-139,771</u>
Financial expenses total	521,246	697,770
Financial expenses rectified by the exchange rate profit	0	-21,329

REFERENCE MATERIAL FOR THE GROUP

	2011	2010
Exchange rate losses included in the sums above the business profit.		
Turnover	173,227	0
Use of raw materials and consumables	750	0
Total	173,976	0
11. Income taxes	2011	2010
Taxes based on taxable income over the financial year	-905,145	-1,402,415
Taxes from previous financial years	-1,730	3,299
Deferred taxes	<u>-234,628</u>	<u>-59,462</u>
Total	-1,141,503	-1,458,579
Tax expenses from the profit and loss account and the corrective calculation between the taxes calculated at the domestic tax rate (26%)		
	2011	2010
Profit/loss before taxes	4,196,198	5,687,185
Taxes calculated at the domestic tax rate 26 %	-1,091,012	-1,478,668
Tax-free income	1,804	0
Non-tax-deductible expenses	-43,706	-10,559
Use of tax losses previously not entered	0	29,695
Unrecognised deferred tax assets for tax losses	-6,967	-2,345
Taxes from previous financial years	<u>-1,622</u>	<u>3,298</u>
Taxes in the profit and loss account	-1,141,503	-1,458,579
12. Profit/loss per share	2011	2010
The parent company's shareholders' profit for the financial year, continuous operations	3,054,695	4,228,606
The parent company's shareholders' loss for the financial year, discontinued operations	-3,719	-354,751
Equity loan interest corrected with the tax effect	124,417	0
Weighted average of the number of shares during the financial year	5,180	5,180
Weighted average of the number of shares corrected with the dilution effect during the financial year	5,180	5,180
Undiluted share-specific profit/loss (€/share) profit/loss (€/share) for continuing operations	590	816
Share-specific profit/loss (€/share) corrected with the dilution effect for continuing operations	590	816
Undiluted share-specific profit/loss (€/share) for discontinued operations	-1	-68
Share-specific profit/loss (€/share) corrected with the dilution effect for discontinued operations	-1	-68

REFERENCE MATERIAL FOR THE GROUP

13. Tangible fixed assets	2011	2010
Land and water areas		
Acquisition cost at the beginning of the financial year	937,656	942,816
Additions	2,639	0
Deductions	<u>0</u>	<u>-5,160</u>
Acquisition cost at the end of the financial year	940,295	937,656
Book value at the end of the financial year	940,295	937,656
Any increase in value through revaluation has been taken into account as a deemed cost. Investment property is shown separately.		
Buildings and structures		
Acquisition cost at the beginning of the financial year	9,098,449	8,721,906
Additions	<u>733,747</u>	<u>376,542</u>
Acquisition cost at the end of the financial year	9,832,195	9,098,449
Accumulated depreciation and reduction in value	-2,107,717.18	-1,673,187.94
Depreciation over the financial year	<u>-466,898.26</u>	<u>-434,529.24</u>
Accumulated depreciation and reduction in value at the end of the financial year	-2,574,615	-2,107,717
Book value at the end of the financial year	7,257,579	6,990,731
Any increase in value through revaluation has been taken into account as a deemed cost. Investment property is shown separately.		
Machines and equipment		
Acquisition cost at the beginning of the financial year	16,324,164	14,218,984
Additions	686,906	2,279,645
Deductions	<u>-36,802</u>	<u>-174,465</u>
Acquisition cost at the end of the financial year	16,974,269	16,324,164
Accumulated depreciation and reduction in value at the beginning of the financial year	-7,702,369	-6,550,529
Depreciation over the financial year	-1,205,226.25	-1,151,840.32
Deductions	<u>-3,051</u>	<u>0</u>
Accumulated depreciation and reduction in value at the end of the financial year	-8,910,646	-7,702,369
Book value at the end of the financial year	8,063,623	8,621,795
Motor vehicles		
Acquisition cost at the beginning of the financial year	544,052.15	507,522
Additions	62,849	77,373
Deductions	<u>-1,796</u>	<u>-40,843</u>
Acquisition cost at the end of the financial year	605,105	544,052

REFERENCE MATERIAL FOR THE GROUP

	2011	2010
Accumulated depreciation and reduction in value at the beginning of the financial year	-275,153	-215,801
Depreciation over the financial year	<u>-61,794</u>	<u>-59,351</u>
Accumulated depreciation and reduction in value at the end of the financial year	-336,947	-275,153
Book value at the end of the financial year	268,158	268,900
Total tangible fixed assets	16,529,655	16,819,082
Financial lease agreements	2011	2010
Tangible fixed assets include property acquired by financial lease agreements		
	783,285	818,634
14. Intangible assets	2011	2010
Trademarks		
Acquisition cost at the beginning of the financial year	159,303	155,047
Additions	<u>8,694</u>	<u>4,256</u>
Acquisition cost at the end of the financial year	167,997	159,303
Accumulated depreciation and reduction in value at the beginning of the financial year	-60,060	-44,988
Depreciation over the financial year	<u>-10,955</u>	<u>-15,072</u>
Accumulated depreciation at the end of the financial year	-71,015	-60,060
Book value at the end of the financial year	96,981	99,243
Other intangible assets		
Acquisition cost at the beginning of the financial year	337,076	337,076
Additions	<u>73,494</u>	<u>0</u>
Acquisition cost at the end of the financial year	410,570	337,076
Accumulated depreciation and reduction in value at the beginning of the financial year	-278,933	-224,982
Depreciation over the financial year	<u>-59,615</u>	<u>-53,951</u>
Accumulated depreciation at the end of the financial year	-338,548	-278,933
Book value at the end of the financial year	72,022	58,143
Other intangible assets total	169,003	157,386
15. Investment properties	2011	2010
At the beginning of the financial year	178,016	178,016
At the end of the financial year	178,016	178,016

The group has appreciated the investment properties in accordance with IAS 40, at the acquisition cost. Investment properties were previously included under tangible assets.

REFERENCE MATERIAL FOR THE GROUP

16. Other financial assets	2011	2010
Financial assets available for sale		
Unquoted share investments	234,387	93,817
At the start of the financial year	93,817	80,917
Other additions	140,570	12,900
At the end of the financial year	234,387	93,817
17. Current receivables, long term	2011	2010
Loans and other current receivables (long term)		
Loans receivable from related parties	12,782,659	3,246,662
Other loans	<u>177,415</u>	<u>146,572</u>
Total	12,960,074	3,393,234
18. Deferred tax liabilities and assets	2009	2010
	Shown under the income statement	
Deferred tax assets		
Losses carried forward	34,445	15,689
Other sums	<u>46,141</u>	<u>36,189</u>
Total deferred tax assets	80,586	5,737
86,323		
Deferred tax liabilities		
Accumulated depreciations	883,700	136,601
Other sums	<u>274,237</u>	<u>-87,092</u>
Total deferred tax liabilities	1,157,937	49,509
1,207,446		
	2010	2011
	Shown under the income statement	
Deferred tax assets		
Losses carried forward	50,134	8,895
Other sums	<u>36,189</u>	<u>27,515</u>
Total deferred tax assets	80,323	221
86,544		
Deferred tax liabilities		
Accumulated depreciations	1,020,301	80,676
Other sums	<u>187,146</u>	<u>154,174</u>
Total deferred tax liabilities	1,207,446	234,850
1,442,296		
19. Current assets	2011	2010
Raw materials and consumables	3,700,225	3,434,131
Finished products	5,268,844	3,804,739
Total	8,969,069	7,238,870

REFERENCE MATERIAL FOR THE GROUP

	2011	2010
20. Sales receivables and other receivables, short term		
Loans and other receivables (short term)		
Sales receivables	7,615,407	6,056,804
Deferred assets	2,519,011	506,378
Other assets	<u>664,256</u>	<u>225,264</u>
Total	10,798,673	6,788,446
Age distribution of sales receivables		
Non-matured	5,013,530	4,610,145
Overdue		
Under 30 days	573,715	446,556
30 - 60 days	339,152	167,825
61 - 90 days	163,112	135,513
over 90 days	<u>1,525,897</u>	<u>696,766</u>
Overdue	7,615,407	6,056,804
Age distribution of sales receivables after losses for reduction in value		
Non-matured	5,013,530	4,610,145
Expired		
Under 30 days	573,715	446,556
30 - 60 days	339,152	167,825
61 - 90 days	163,112	135,513
over 90 days	<u>1,525,897</u>	<u>696,766</u>
Total	7,615,407	6,056,804
21. Funds	2011	2010
Cash in hand and in the bank account	16,203,199	7,730,641
Cash in hand, in the bank account and in investment certificates	16,171,433	7,604,019
Accounts with credit	<u>31,766</u>	<u>126,622</u>
Total	16,203,199	7,730,641
22. Appendix information regarding equity	2011	2010
Equity		
Number of shares at the beginning of the financial year	5,180	5,180
Share capital at the end of the financial year	5,180	5,180
Share capital at the beginning of the financial year	103,600.00	103,600.00
Share capital at the end of the financial year	103,600.00	103,600.00
Reserve fund from received share premiums at the beginning of the financial year	16,400.00	16,400.00
Reserve fund from received share premiums at the end of the financial year	16,400.00	16,400.00
Other funds at the beginning of the financial year	4,303,278	4,303,278
Other funds at the end of the financial year	4,303,278	4,303,278

REFERENCE MATERIAL FOR THE GROUP

	2011	2010
Equity loan at the beginning of the financial year	0	0
Bonds 10/5/2011	<u>14,925,000</u>	<u>0</u>
Equity loan at the end of the financial year	14,925,000	0
 Total	 19,348,278	 4,423,278

Company shares

The minimum capital of the company is 100,000 Euros and the maximum capital is 1,000,000 Euros.

The nominal value of one share is 20 Euros.

Each share entitles the owner to one vote during the general meeting.

All shares have equal right to dividends and company assets.

All shares are subject to a redemption clause.

Equity funds
Reserve fund from received share premiums

The reserve fund from received share premiums is made up of committed equity as defined under Chapter 8, Section 1 of the Companies Act.

Other funds

Other funds the entry is comprised of

Contingency fund	3,689,574	3,689,574
Increase in value included in the acquisition cost for properties	<u>613,703</u>	<u>613,703</u>
Total	4,303,278	4,303,278

Equity loan

On May 10th 2011, the Myllyn Paras Oy Group launched an equity bond (also known as a hybrid loan) of 15 million Euros. The hybrid loan has no expiration date, but Myllyn Paras Oy has the right, not the duty, to redeem the loan after 5 years. The annual interest according to the contract is 8 %.

The accounts classify the loan as equity and the paid interests are presented as dividends by their nature.

Dividends

Dividend per share	100.00	18.00
Dividends total	518,000.00	93,240.00

After the expiration date of the reporting period, the Board has suggested a dividend of 100 Euros per share, totalling 518,000 Euros.

23. Financial liabilities
Long term financial liabilities appreciated at the amortised cost

	2011	2010
Bank loans	17,243,516	8,991,636
Bank loans, increased cheque limit	1,523,517	3,544,222
Loans from pension companies	0	1,400,000
Financial lease liabilities	<u>435,943</u>	<u>541,816</u>
Total	19,202,977	14,477,674

REFERENCE MATERIAL FOR THE GROUP

	2011	2010
Long term financial liabilities appreciated at the current value		
Derived agreements		
Non-hedge accounting	<u>38,460</u>	<u>74,385</u>
Long term financial liabilities total	19,241,437	14,552,059
Short term		
Financial lease liabilities	116,651	283,147
Amortisations of long term loans	<u>1,748,120</u>	<u>1,588,792</u>
Total	1,864,771	1,871,939
Short term financial liabilities shown under the income statement at the current value		
Derived agreements		
Non-hedge accounting	<u>198,165</u>	<u>106,125</u>
Short term financial liabilities total	2,062,936	1,978,064
The group's bank loans have both floating and fixed interest rates		
The group's average interest rate is:	2.17 %	1.62 %
Financial liabilities expire as follows		
Cheque limit in use	1,523,517	3,544,222
expires < 6 months	1,064,884	1,021,295
expires 6 months - 1 year	998,052	956,769
expires 1 - 5 years	10,673,912	6,950,231
expires > 5 years	<u>7,044,007</u>	<u>4,057,606</u>
Total	21,304,373	16,530,123
The amounts of the group's floating interest rate liabilities and the contractual repricing periods		
Floating interest rate loans have been fixed to a 1 - 12 month Euribor rate.		
The liabilities do not take account of the amortisations of floating interest rate loans, which are paid at the rate that is valid on the balance sheet date.		
Less than 6 months	15,213,093	5,736,067
6 - 12 months	<u>3,185,911</u>	<u>3,799,587</u>
Total	18,399,004	9,535,654
Financial lease liabilities expire in gross terms as follows		
expires < 1 year	132,953	308,119
expires 1 - 5 years	465,731	518,545
expires > 5 years	<u>0</u>	<u>80,139</u>
Total	598,684	906,803

REFERENCE MATERIAL FOR THE GROUP

	2011	2010
The discounting of financial lease liabilities listed at their current value has relied on an effective interest rate of 2.950 %		
Gross amount of financial lease liabilities	598,684	906,803
Financing expenses accumulated in the future	<u>-46,139</u>	<u>-71,111</u>
The current value of financial lease liabilities	552,545	835,692
Financial lease liabilities expire at the current value as follows		
expires < 1 year	116,651	283,147
expires 1 - 5 years	435,894	474,395
expires > 5 years	<u>0</u>	<u>78,150</u>
Total	552,545	835,692
24. Accounts payable and other liabilities, short term	2011	2010
Financial liabilities appreciated at the short term amortised cost		
Accounts payable	4,008,346	2,857,702
Accrued costs	1,102,965	893,279
Other liabilities	<u>657,418</u>	<u>258,761</u>
Total	5,768,729	4,009,741

Accrued liabilities consist of personnel expenses and amortisation of debt accruing interest.

The essential sums of other liabilities consist of non-matured accounts with tax authorities and the debt to the shareholder.

25. Managing financial risks
Managing exchange rate risks
2011
2010

Russian investments are subject to an exchange-rate risk because investments are financed primarily by euro-denominated loans and the proceeds and expenses of the project are denominated in roubles.

Agreements have been denominated in USD and the company has made foreign-exchange forward contracts to protect the group's future exchange-rate denominated building projects abroad.

Forward contracts in USD

EUR	-7,200,000	0
At the valid exchange rate for the date of the balance sheet date	<u>6,997,162</u>	<u>0</u>
Profits and losses recognised	-202,838	0

Forward contracts in RUB

EUR	700,000	2,100,000
At the valid exchange rate for the date of the balance sheet	<u>-733,787</u>	<u>-2,280,509</u>
Profits and losses recognised	-33,787	-180,509

REFERENCE MATERIAL FOR THE GROUP

The group's exchange-rate denominated financial liabilities, in Euros	2011	2010
Long term		
Rouble-denominated	0	74,385
USD-denominated	38,460	0
Total	38,460	74,385
Short term		
Rouble-denominated	33,787	106,125
USD-denominated	164,378	0
Total	198,165	106,125

The group's exchange-rate denominated assets at the exchange rate that is valid on the balance sheet date, in Euros

Short term		
Rouble-denominated	2,464,033	1,859,267

	2011	2011	2011
	RUB	USD	Total
Sensitivity calculation			
Exchange rate change - %	-5 %	- 5 %	
Effect on profit/loss after taxes	-60,930	-246,567	-307,497
	2010	2010	2010
	RUB	USD	Total
Sensitivity calculation			
Exchange rate change - %	- 5 %	- 5 %	
Effect on profit/loss after taxes	-14,844	0	-14,844

The calculation takes into account the weakening of the exchange rate by 5 % against the Euro.

Managing credit risks

The group has entered credit losses from sales receivables	5,228	3,712
The group has downgraded its rights under the loan	169,764	0

Credit loss risk from domestic sales receivables are managed through supervision and collection, as well as insurance. Foreign sales receivable risks and risks related to rights under the loan concerns the area under supervision of the group's management.

Managing interest risks

The interest risk is comprised of a possible increase in interest from financial loans.

The group has concluded interest-rate swaps to protect against interest risks from floating interest rate loans.

Financial loans subject to interest-rate swaps	3,000,000.00	3,000,000.00
Sensitivity calculation	2011	2010
Increase in the average interest of financial loans by 0.5 %.		
Effect on profit/loss after taxes	-77,951	-60,494

REFERENCE MATERIAL FOR THE GROUP

	2011	2010
Managing liquidity risk		
Current financial assets	27,001,872.00	14,519,087.00
Current assets	8,769,069.00	7,238,870.00
Advance payments received	0.00	0.00
Short term loans	7,834,629.00	6,882,100.00
Liquidity, Current Ratio	4.57	3.16
Liquidity, Quick Ratio	3.45	2.11
Current Ratio guideline values		
Good	above 2.0	
Satisfactory	1 - 2	
Weak	below 1	
Quick Ratio guideline values		
Good	above 1.0	
Satisfactory	0.5 - 1.0	
Weak	below 0.5	

According to the Current Ratio liquidity index, the group's readiness to manage its short term loans with current financial assets and current assets is good.

According to the Quick Ratio liquidity index, the group's readiness to manage its short term loans with current financial assets is good.

Managing capital		
Financial liabilities with interest	21,304,373	16,530,123
Assets with interest	12,960,074	3,393,234
Funds	16,203,199	7,730,641
Net liabilities	5,101,174	8,799,482
Equity total	38,030,690	20,740,845
Net gearing	13.4 %	42.4 %
Net gearing, guideline values		
Excellent	below 10 %	
Good	10 - 40 %	
Satisfactory	40 - 80 %	
Weak	Above 80 %	

The management of the group's capital is carried out according to the net gearing ratio, and as such has improved over the past financial year.

REFERENCE MATERIAL FOR THE GROUP

26. The current values of financial assets and liabilities	2011	2011	2010	2010
	Book value	Current value	Book value	Current value
Financial assets				
Other financial assets	234,387	234,387	93,817	93,817
Sales receivables and other receivables	23,758,747	23,758,747	10,181,680	10,181,680
Funds	<u>16,203,199</u>	<u>16,203,199</u>	<u>7,730,641</u>	<u>7,730,641</u>
Total	40,196,333	40,196,333	18,006,139	18,006,139
Financial liabilities				
Bank loans	18,991,636	18,991,636	10,180,428	10,180,428
Loans from pension companies	0	0	1,800,000	1,800,000
Cheque credit accounts	1,523,517	1,523,517	3,544,222	3,544,222
Financial lease liabilities	552,595	552,595	824,963	824,963
Accounts payable and other debts	5,771,984	5,771,984	4,015,997	4,015,997
Foreign-exchange forward contracts	<u>236,625</u>	<u>236,625</u>	<u>176,621</u>	<u>180,510</u>
Total	27,076,357	27,076,357	20,542,231	20,546,120
27. Rectifications of the money supply for business Deals which do not include a monetary transaction		2011	2010	
Depreciation		1,804,489	1,714,744	
Exchange-rate differences		<u>116,868</u>	<u>-69,561</u>	
Total		1,921,357	1,645,183	
28. Other lease agreements				
The group as lessee				
The group has no other essential lease agreements.				
29. Contingent liabilities and assets and supply undertakings		2011	2010	
Guarantees and statements of liability				
Guarantees and statements of liability given on own behalf				
Bank loans		18,441,636	9,530,428	
Cheque limits		5,000,000	5,000,000	
Currently in use		1,522,258	3,375,849	
Guarantees against bank loans				
Business mortgages		9,000,000	9,000,000	
Real-estate mortgages		<u>7,180,300</u>	<u>6,830,300</u>	
Total		16,180,300	15,830,300	
Guarantees for bank loans		19,114,023	10,251,892	
Loans from the pension institution		0	1,800,000	

REFERENCE MATERIAL FOR THE GROUP

	2011	2010
Guarantees against pension institution loans		
Real-estate mortgages	672,744	672,744
Guarantees given for pension institution loans	700,000	900,000
Other given statements of liability		
Customs guarantees	62,000	62,000
Other warranty	10,000	120,000
Other guarantees	0	214,280
Financial assets as security		
Given as security on own behalf	10,000,000	0
Given as security on others' behalf	7,426	0
Ownership restrictions, pledged property, plant and equipment and supply undertakings		
Leasing liability, financial leasing	736,381	206,830
Leasing liabilities, other rented	3,251	4,134
Value added tax return liabilities	349,084	403,494

30. Related party disclosures
The group's parent company and subsidiary relationships are as follows

	Home country	Owner share %	Share of the right to vote %
Parent company			
Myllyn Paras Oy Group	Finland	100 %	100 %
The group's subsidiaries			
Myllyn Paras Oy	Finland	100 %	100 %
Myllyn Paras Oy Frozen Foods	Finland	100 %	100 %
MP Tehdaspalvelut Oy	Finland	100 %	100 %
MP Pakastetehdaspalvelut Oy	Finland	100 %	100 %
MP Russia Oy	Finland	100 %	100 %
Myllyn Paras OÜ	Estonia	100 %	100 %
Osaühing Seventeen	Estonia	100 %	100 %
UAB Agrosoma	Lithuania	100 %	100 %

UAB Agrosoma was closed on February 14th 2011. The company was part of the group until operations ceased. Lithuanian authorities confirmed the closure of the company on August 25th 2011.

REFERENCE MATERIAL FOR THE GROUP
Other related companies

PS-Varastotilat Oy	Finland
Syrindi Oy	Finland
OOO Juva	Russia
OOO Myllyn Paras -Kursk	Russia
OOO Kolos-Holding	Russia
OOO Zao Erpolar	Russia
OOO Kolos-Express	Russia
OOO MIR Sales	Russia
TOO Nurly Dala	Kazakhstan

Deals with related parties and assets and liabilities with related parties

	2011	2011	2011	2011
	Sales	Purchases	Assets	Liabilities
Other related companies	2,646,378	287,884	17,158,266	0

	2010	2010	2010	2010
	Sales	Purchases	Assets	Liabilities
Other related companies	2,350,030	237,580	5,156,273	4,536

Loans to other related companies
2011 **2010**

The parent company Myllyn Paras Oy Group and the subsidiary MP Russia Oy have granted the related companies the following loans:

PS-Varastotilat Oy

Loans at the beginning of the financial year	0	0
Loans granted during the financial year	225,000	0
Loans at the end of the financial year	225,000	0
Interest charges	4,061	0
Interest payments received during the financial year	-4,061	0
Interest receivable at the end of the financial year	0	0
Total receivables at the end of the financial year	225,000	0

Myllyn Paras Oy Group has granted a loan of 225,000 Euros.

The loan interest rate is based on a 12 month Euribor at +1.0 %. The maturation of the loan is on August 27th 2020.

Syrindi Oy

Loans at the beginning of the financial year	1,835,487	1,743,054
Loans granted during the financial year	50,953	92,432
Loans at the end of the financial year	1,886,440	1,835,487
Interest charges	46,213	50,975
Interest receivable at the end of the financial year	46,213	50,975
Total receivables at the end of the financial year	1,932,653	1,886,461

REFERENCE MATERIAL FOR THE GROUP

Myllyn Paras Oy Group has approved the company for a loan of 2,000,000 Euros of which 1,886,439.79 Euros have been utilised. The loan interest rate is based on a 12 month Euribor at + 1.0 % with the loan maturing on June 30th 2018.

000 Juva	2011	2010
Loans at the beginning of the financial year	1,031,695	327,904
Loans granted during the financial year	1,544,610	703,791
Rectification of the previous financial year	-1,644	0
Loan repayments during the financial year	0	0
Loan charge-offs during the financial year	-149,675	0
Loans at the end of the financial year	2,424,987	1,031,695
Interest receivable at the beginning of the financial year	45,908	0
Interest charges	67,203	45,908
Interest receivables at the end of the financial year	113,111	45,908
Total receivables at the end of the financial year	2,538,098	1,077,603

Myllyn Paras Oy Group has approved the company for a loan of 2,424,986.50 Euros which has been fully utilised. The interest rate for the loan is 5 % with the loan maturing on December 31st 2012.

000 Myllyn Paras -Kursk		
Loans at the beginning of the financial year	29,481	5,930
Loans granted during the financial year	757,209	23,550
Loan charge-offs during the financial year	-20,457	0
Loans at the end of the financial year	766,233	29,481
Interest receivable at the beginning of the financial year	1,130	0
Interest charges	6,288	1,130
Interest receivable at the end of the financial year	7,418	1,130
Total receivables at the end of the financial year	773,650	30,610

Myllyn Paras Oy Group has approved the company for a loan of 2,000,000 Euros, of which 766,232.76 Euros have been utilised. The interest rate for the loan is 5 % with the loan maturing on December 31st 2012.

000 Kolos-Holding		
Loans at the beginning of the financial year	350,000	0
Loans granted during the financial year	5,000,000	350,000
Loans at the end of the financial year	5,350,000	350,000
Interest charges	108,233	0
Interest receivable at the end of the financial year	108,233	0
Total receivables at the end of the financial year	5,458,233	350,000

Myllyn Paras Oy Group has approved the company for loans of 3,350,000 Euros which have been fully utilised. The interest rate for the loans is 5 % with the loans maturing between September 30th 2011 and November 30th 2012.

MP Russia has approved the company for a loan of 5,000,000 Euros, of which 2,000,000 Euros have been utilised.

The interest rate for the loan is 5 % with the loan maturing on May 20th 2013.

REFERENCE MATERIAL FOR THE GROUP

OOO Zao Erpolar	2011	2010
Loans at the beginning of the financial year	0	0
Loans granted during the financial year	830,000	0
Loans at the end of the financial year	830,000	0
Interest charges	18,586	0
Interest receivable at the end of the financial year	18,586	0
Total receivables at the end of the financial year	848,586	0

Myllyn Paras Oy Group has approved the company for a loan of 1,500,000 Euros, of which 30,000 Euros have been utilised. The interest rate for the loan is 5 % with the loan maturing on December 20th 2011.

OOO Kolos-Express	2011	2010
Loans at the beginning of the financial year	0	0
Loans granted during the financial year	1,300,000	0
Loans at the end of the financial year	1,300,000	0
Interest charges	6,767	0
Interest receivable at the end of the financial year	6,767	0
Total receivables at the end of the financial year	1,306,767	0

MP Russia has granted the company a loan of 5,000,000 Euros, of which 1,300,000 Euros have been utilised. The interest rate for the loan is 5 % with the loan maturing on May 20th 2013.

Loans to related parties total	12,782,659	3,246,662
Interest receivable from related parties total	300,328	98,012

Management's employee benefits	2011	2010
Salaries, fees and other remunerations		
CEO	61,333	61,333
Board members	12,000	14,175
Total	73,333	75,508

31. Events after the end date of the reporting period

Myllyn Paras Oy Group has a merger plan pending at the Trade Register in order to allow Syrindi Oy to merge with the company and other related parties thus, among other things becoming integrated into the group. The merger has not made any major impact on the profit/loss of the group.

As a consequence of the merger, the assets of the group (17 M€) will be removed from the companies of the merging group. At the same time the pending investment projects undertaken by the merging companies (12.5 M€) will be taken over by the Myllyn Paras Group.

REFERENCE MATERIAL REGARDING THE MIGRATION OVER TO THE IFRS FINANCIAL STATEMENT

The Myllyn Paras Group has migrated to the international IFRS (International Financial Reporting Standards) procedure for compiling the balance sheet. The first balance sheet in the IFRS format has been compiled for the period ending on June 30th 2011.

The IFRS migration date was scheduled for July 1st 2009. For that date, the group has compiled an opening statement in accordance with IFRS principles.

Previously, the group followed the Finnish balance sheet procedure (Finnish Accounting Standards, FAS). All the comparison information for 2010 has now been converted to IFRS standards.

Central changes in IFRS reporting

Business-specific segment reporting has been introduced. The segments reported are Myllyn, Frozen Food and other operations. Fixed costs attached to the current assets have been listed for them. Commodities leased by financial leasing agreements have been entered as assets and liabilities on the balance sheet. For expenses of external liabilities, loan interests for investments have been listed. Foreign-exchange forward contracts have been appreciated at the current value of the balance sheet date. Investment property has been appreciated at its acquisition cost and presented separately. Discontinued operations have been presented separately.

Equity precision calculation July 1st 2009 and June 30th 2010

(in thousands of Euros)	Reference	FAS 30/6/2009	IFRS: migr. impact	IFRS 1/7/2009	FAS 30/6/2010	IFRS: migr. impact	IFRS 30/6/2010
ASSETS							
Long term assets							
Property, plants and equipment	1-2, 7-9, 11	16,500	-534	15,966	16,308	511	16,819
Other intangible assets	1, 11	234	-12	222	381	-224	157
Investment properties	11	0	178	178	0	178	178
Other financial assets	10	81	110	191	94		94
Assets		2,269		2,269	3,393		3,393
Deferred tax assets		81		81	86		86
Total long term assets		19,165	-257	18,907	20,263	465	20,728
Short term assets							
Current assets	2, 6	8,758	440	9,198	6,860	378	7,239
Sales receivables and other	3	7,907		7,907	6,799	-10	6,788
Advance payments	2	0	806	806	0	893	893
Tax receivables based on taxable income over the financial Funds	3	0		0	0	10	10
Financial liabilities	10	2,483	66	2,549	7,731		7,731
Total short term assets		19,148	1,312	20,460	21,390	1,271	22,661
TOTAL ASSETS		38,313	1,055	39,367	41,653	1,736	43,389

(in thousands of Euros)	Reference	FAS 30/6/2009	IFRS: migr. impact	IFRS 1/7/2009	FAS 30/6/2010	IFRS: migr. impact	IFRS 30/6/2010
EQUITY AND LIABILITIES							
Equity belonging to owners of the parent company							
Share capital		104		104	104		104
Reserve funds from received share premiums		16		16	16		16
Other funds	4	4,303		4,303	4,303		4,303
Accumulated profit assets	6-11	11,842	781	12,622	15,785	533	16,318
Total Equity		16,265	781	17,045	20,208	533	20,741
Long term assets							
Deferred tax liabilities	6-11	884	274	1,158	1,020	187	1,207
Financial liabilities	8, 10	12,277		12,277	13,936	616	14,552
Other liabilities		136		136	6		6
Total long term liabilities		13,297	274	13,572	14,962	803	15,766
Short term liabilities							
Accounts payable and other debts	3, 8	4,981	-115	4,865	4,893	-884	4,010
Tax receivables based on taxable income over the financial year	3	0	115	115	0	894	894
Short term financial liabilities	10	3	770	3,770	1 589	389	1,978
Total short term liabilities		8,750		8,750	6,482	400	6,882
Total Liabilities		22,048	27,422	322	21,444	1,203	22,648
TOTAL EQUITY AND LIABILITIES		38,313	1,055	39,367	41,653	1,736	43,389

Precision calculation for the group's profit for financial year July 1st 2009 – June 30th 2010

(in thousands of Euros)	Reference	FAS 1/7/2009- 30/6/2010	IFRS: migr. impact	IFRS 1/7/2009- 30/6/2010
ACTIVE OPERATIONS				
Turnover	12	44,959	-119	44,839
Other operating income	12	361	-127	235
Stock changes for finished and unfinished products	6, 12	-612	-68	-680
Use of raw materials and consumables	5, 12	-24,145	1,824	-22,321
Expenses from employee benefits	12	-4,901	19	-4,882
Depreciation	7-9, 11-12	-1,708	-6	-1,715
Other operating expenses	5, 8, 12	<u>-8,151</u>	<u>-1,265</u>	<u>-9,416</u>
Operating profit		5,802	258	6,060
Financial income	12	326	-1	325
Financial expenses	8-10, 12	<u>-461</u>	<u>-237</u>	<u>-698</u>
Profit before taxes		5,667	20	5,687
Income taxes	6-11	-1,546	87	-1,459
Profit for the financial year for continuing operations		4,122	107	4,229
DISCONTINUED OPERATIONS				
Loss over the financial year for discontinued operations	12	<u>0</u>	<u>-355</u>	<u>-355</u>
PROFIT FOR THE FINANCIAL YEAR		4,122	-248	3,874
TOTAL OVERALL PROFIT/LOSSES FOR THE FINANCIAL YEAR		4,122		3,874
Profit distribution for owners of the parent company		4,122	-248	3,874
SHARE-SPECIFIC PROFIT/LOSS CALCULATED FOR PROFITS BELONGING TO THE OWNERS OF THE PARENT COMPANY				
Undiluted share-specific profit/loss for continuing operations		0.8		0.8
Share-specific profit/loss rectified by the dilution effect for continuing operations		0.8		0.8
Undiluted share-specific profit/loss for discontinued operations		0.0		-0.1
Share-specific profit/loss rectified by the dilution effect for discontinued operations		0.0		-0.1

Clarifications for references on the impact of migration to IFRS (in thousands of Euros)
1) IFRS balance classification: property, plants, equipment and intangible capital asset commodities

Of the other long term expenses presented under material commodities in the FAS, items have been moved to material commodities, in accordance with the IFRS (IAS16). Items that belong to the intangible commodities classification, in accordance with IAS38, have been left there.

	1/7/2009	30/6/2010
Moved from intangible to material		

2) IFRS balance classification: advance payments

When classifying the balance, advance payments have been shown as items of their own, according to IAS 1.

	1/7/2009	30/6/2010
Moved from capital assets to advance payments	737	833
Moved from current assets to advance payments	<u>68</u>	<u>59</u>
Total	806	893

3) IFRS balance classification: tax assets and tax liabilities based on the taxable income of the financial year

When classifying the balance in accordance with IAS 1, tax assets based on the profit/loss for the financial year are separated and tax liabilities are separate from other assets and other liabilities.

	1/7/2009	30/6/2010
Moved from other assets to tax assets	0	10
Moved from other liabilities to tax liabilities	115	894

4) Balance classification: Increase in value

Previously, under the FAS system, increases in the value of land areas and real estate were presented in funds for increases in value. Under the IFRS system, the deemed cost for these land areas and real estate (IAS38) is the amount based on the increase in value of land areas and real estate. The change is presented under equity, in other funds.

	1/7/2009	30/6/2010
Change in the value of land areas	328	328
Change in the value of real estate	<u>286</u>	<u>286</u>
Total addition of other funds	614	614
Other funds under FAS	<u>3,690</u>	<u>3,690</u>
Other funds under IFRS, total	4,303	4,303

5) Classification of the profit and loss account

In the FAS calculation, the purchases and stock changes presented under group materials and services have been combined, and the use of raw materials and consumables is shown on the line with the IFRS profit and loss account. External services have been moved to other expenses of business.

	1/7/2009-30/6/2010
Use of raw materials and consumables	1,312
Other operating expenses	<u>-1,312</u>
Profits and losses recognised	0

6) Current assets under IAS2

Current assets now include the appropriate fixed expenses, according to IAS 2.

Assets	1/7/2009	30/6/2010
Current assets	<u>509</u>	<u>438</u>
Total assets	509	438
Equity and liabilities		
Deferred tax liabilities	132	114
Accumulated profit assets	<u>377</u>	<u>324</u>
Total equity and liabilities	509	438

Profit/loss for the financial year

	1/7/2009-30/6/2010
Change in finished and unfinished stocks	-71
Deferred tax liabilities from the former system	<u>19</u>
Total profit/loss for the financial year	-53

7) Property, plants and equipment (IAS16)

Depreciation has been applied to the increase in value of the building listed under property, plants and equipment, according to the depreciation plan.

Assets	1/7/2009	30/6/2010
Property, plants and equipment	<u>-128</u>	<u>-137</u>
Total assets	-128	-137

Equity and liabilities		
Deferred tax liabilities	-33	-36
Accumulated profit assets	<u>-94</u>	<u>-101</u>
Total equity and liabilities total	-128	-137

Profit/loss for the financial year	1/7/2009-30/6/2010
Depreciation	-9
Deferred tax liabilities from the former system	<u>2</u>
Total Profit/loss for the financial year	-7

8) Financial leasing according to IAS17

Financial leasing agreements are treated according to IAS 17. The current values of minimum leases are entered at the beginning of the agreement under other tangible commodities and financial liabilities. Depreciations are applied to machines and equipment, in accordance with the depreciation plan, and paid financial leasings amortise the financial liabilities after the deduction of interest expenses. Financial leasing agreements have been concluded during the financial year that began on July 1st 2009.

Assets	1/7/2009	30/6/2010
Property, plants and equipment	0	825
Depreciation according to the plan of the former system	<u>0</u>	<u>-6</u>
Total assets	0	819

Equity and liabilities		
Short term financial liabilities	0	283
Long term financial liabilities	<u>0</u>	<u>542</u>
Total financial liabilities	0	825
Other short term liabilities, addition (interest liabilities)	0	11
Deferred tax liabilities	0	-4
Accumulated profit assets	<u>0</u>	<u>-13</u>
Total equity and liabilities	0	819

Profit/loss for the financial year	1/7/2009	-30/6/2010
Other operating expenses	14	
Financial expenses	-24	
Depreciation	<u>-6</u>	
Profit/loss for the financial year	-17	
Deferred tax liabilities from the former system	<u>4</u>	
Total profit/loss from the financial year	-13	

9) Expenses of external liabilities IAS23

According to IAS23, for investments, the interest on loans has been listed under material rights concerning loans, and the depreciation is applied to them in accordance with the depreciation plan for property, plants and equipment.

Assets	1/7/2009	30/6/2010
Interest listed for buildings	299	386
Interest listed for building engineering devices	48	58
Interest listed for production machines	<u>102</u>	<u>144</u>
Property, plants and equipment, addition	449	588
Depreciation of buildings	12	25
Depreciation of building engineering devices	4	8
Depreciation of production machines	<u>5</u>	<u>18</u>
Property, plants and equipment, deduction	20	50

Buildings, total addition	287	362
Building engineering devices, total addition	44	50
Production machines, total addition	<u>97</u>	<u>126</u>
Property, plants and equipment, addition	428	538
Total assets	428	538

Equity and liabilities

Accumulated profit assets	317	398
Deferred tax liabilities	<u>111</u>	<u>140</u>
Total equity and liabilities	428	538

Profit/loss for the financial year
1/7/2009-30/6/2010

Financial liabilities	140
Depreciation	<u>-30</u>
Profit/loss for the financial year	110
Deferred tax from the former system	<u>-29</u>
Total profit/loss for the financial year	81

10) Financial assets/financial liabilities entered at the current value, in accordance with the profit/loss under IAS39

In accordance with IAS39, foreign-exchange forward contracts have been appreciated at the current value on the balance sheet date.

Assets	1/7/2009	30/6/2010
Long term financial assets	110	0
Short term financial assets	<u>66</u>	<u>0</u>
Total assets	177	0

Equity and liabilities

Accumulated profit assets	131	-134
Deferred tax liabilities	46	-47
Long term financial liabilities	0	74
Short term financial liabilities	<u>0</u>	<u>106</u>
Total equity and liabilities	177	0

Profit/loss for the financial year
1/7/2009-30/6/2010

Financial expenses	-357
Deferred tax liabilities from the former system	<u>93</u>
Total losses for the financial year	-264

11) Investment properties under IAS40

The group's investment property is valued at cost in accordance with IAS 40. FAS depreciation has been withdrawn.

Assets	1/7/2009	30/6/2010
Investment properties	178	178
Property, plants and equipment	<u>-109</u>	<u>-99</u>
Total assets	69	79
Equity and liabilities		
Accumulated profit assets	51	58
Deferred tax liabilities	<u>18</u>	<u>20</u>
Total equity and liabilities	69	79

Profit/loss for the financial year	1/7/2009-30/6/2010
Depreciation	10
Deferred tax liabilities from the former system	<u>-3</u>
Total profit/loss for the financial year	7

12) Discontinued operations

In reference to the profit/loss account from July 1st 2009 - June 30th 2010, a rectification was made to the financial year, in accordance with IAS1, in regard to losses from discontinued operations at 000 Agrosoma.

Rectifications to the profit of the financial year	1/7/2009-30/6/2010
Turnover	-119
Other operating income	-127
Stock change for finished and unfinished products	
Use of materials, equipment and services	512
Expenses from employee benefits	19
Depreciation	29
Other operating expenses	<u>33</u>
Operating loss	351
Financial income for 2011	-1
Financial income	<u>5</u>
Losses during the financial year for discontinued operations	355

The effect of migrating to IFRS standards on the profit assets of the group (in thousands of Euros)

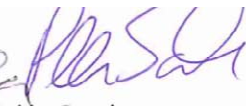
	1/7/2009	30/6/2010
Accumulated profit assets according to FAS	11,842	15,785
IFRS rectifications		
IAS2 Current assets	377	324
IAS16 Property, plants and equipment	-94	-101
IAS17 Lease agreements	0	-13
IAS23 Expenses of external liabilities	317	398
IAS39 Financing assets and financing liabilities	131	-134
IAS40 Investment properties	51	58
Effect of migration on the profit assets of the group	781	533
Accumulated profit assets according to the IFRS	12,622	16,318

The effect of migrating to IFRS standards on the equity of the group (in thousands of Euros)

	1/7/2009	30/6/2010
Accumulated equity according to the FAS	16,265	20,208
IFRS rectifications		
IAS2 Current assets	377	324
IAS16 Property, plants and equipment	-94	-101
IAS17 Lease agreements	0	-13
IAS23 Expenses of external liabilities	317	398
IAS39 Financing assets and financing liabilities	131	-134
IAS40 Investment properties	51	58
Effect of migration on the equity of the group	781	533
Accumulated equity according to the IFRS	17,045	20,741

Precise calculation of the profit for the financial year from July 1st 2009 to June 30th 2010 (in thousands of Euros)
1/7/2009-30/6/2010

Profit for the financial year, according to the FAS	4,122
IFRS rectifications	
IAS2 Current assets	-53
IAS16 Property, plants and equipment	-7
IAS17 Lease agreements	-13
IAS23 Expenses of external liabilities	81
IAS39 Financing assets and financing liabilities	-264
IAS40 Investment properties	<u>7</u>
Impact of migration on the profit/loss of the group for the financial year	-248
Profit of the financial year according to the IFRS	3,874

SIGNATURES FOR THE BALANCE SHEET AND FINANCIAL STATEMENTHyvinkää on August 28th 2011Maino Savela
Chairperson of the BoardPekka Savela
Board memberPaavo Prepula
CEO**AUDITOR NOTES**

The report has been submitted on the completed audit on this day.

In Helsinki August 28th 2011Lauri Mäki
KHT

Auditor's report

To the General Meeting of the Myllyn Paras Oy Group

I have audited the accounting, the balance sheet, the operations report and the administration for the financial year from July 1st 2010 - June 30th 2011. The balance sheet is comprised of the balance, comprehensive profit/loss account, calculation of equity changes and cash flow, and business data of the group to include the balance, profit/loss account, financing calculation and other business data.

Responsibility of the Board and CEO

The Board and CEO are responsible for the compilation of the balance sheet and operations report and the fact that the consolidated accounts provide correct and sufficient information, in accordance with the International Financial Reporting Standards (IFRS) approved in the EU, and that the balance sheet and operations report provide correct and sufficient information in accordance with legislation on the compilation of the balance sheet and operations report in force in Finland. The Board is responsible for appropriate arrangements for the supervision of all accounting and financial management and the CEO is responsible for the compliance of the accounting and dependable arrangement for financial management.

Responsibilities of the auditor

My responsibility is to provide an opinion on the balance sheet, consolidated accounts and operations report, on the basis of the audit that I have completed. The Auditing Act requires that I comply with all professional ethics. I have completed the audit in accordance with the Generally Accepted Auditing Standards followed in Finland. The Generally Accepted Auditing Standards require that I plan and complete the audit in order to obtain reasonable certainty whether there are essential mistakes in the balance sheet or operations report and whether the Board members or CEO of the parent company are guilty of a commission or omission, which may entail liability for compensation in regard to the company, or if they have infringed on the Companies Act or any Statutes.

The audit also includes measures to obtain auditing evidence in the chapters included in the balance sheet and operations report or other information presented in them. The choice of measures is based on the auditor's discretion, and includes the assessment of risks of essential inaccuracies following misconduct or error. When assessing these risks, the auditor takes into account the internal supervision in place in the company for the compilation of the balance sheet and operations report, so that it provides significant correct and sufficient information. The auditor assesses the company's internal supervision in order to be able to plan under circumstances appropriate for auditing measures, but not with a view to submit an opinion on the efficacy of the internal supervision. The audit also includes an assessment of the appropriateness of the principles of compiling the audit, the reasonableness of the accounting estimates produced by the acting management, as well as the general presentation of the balance sheet.

In my opinion, I have obtained a sufficient amount of auditing evidence on which to base my opinion for this purpose.

Opinion on the consolidated accounts

It is my opinion that the consolidated accounts provide correct and sufficient information on the financial state of the group, as well as all profits/losses related to operations and cash flows, in accordance with the International Financial Reporting Standards (IFRS).

Opinion on the balance sheet and operations report

It is my opinion that the balance sheet and operations report provide correct and sufficient information on all profits/losses related to the operations and financial state of the group and the parent company, in accordance with all legislation concerning the compilation of the balance sheet and operations report in force in Finland. The information in the operations report and balance sheet is not contradictory.

Helsinki 28 August 2011



Lauri Mäki KHT

CONSOLIDATED FINANCIAL REPORT**ACCOUNTING BOOKS**

Journals	Daily cash book
Journals	Saved in PDF format
Ledgers	Saved in PDF format
Accounts receivable	Partially electronic accounts
Accounts payable	Partially electronic accounts
Payroll accounting	Partially electronic accounts
Balance sheet book	Bound separately
Balance sheet items	Paper printout
TO BE MAINTAINED UNTIL	December 31 st 2017
Cash receipts	KA Hard copy accounting documents
Bank accounting records	TO Hard copy accounting documents
Sales invoices	10 and 11 Hard copy accounting documents
Sales fees	MM Hard copy accounting documents
Purchase order invoices	V11 Hard copy accounting documents
Purchase order invoices	E11 or electronic archive E-Office system
Purchase payments	OM Hard copy document stored in the journal
Pay checks	PA Hard copy accounting documents
Salary allocations	PA Hard copy accounting documents
Memo receipts	MU. VAT Hard copy accounting documents