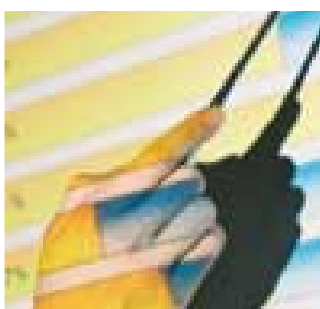


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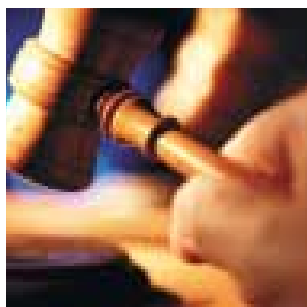
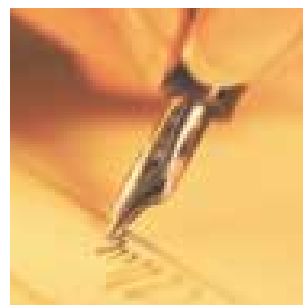


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Raisio Group

The Raisio Group is a growing international industrial group. It develops, produces and markets paper chemicals, foods and functional food ingredients, animal feeds and malts. Operations are divided into three business sectors: Raisio

Chemicals, Raisio Nutrition and Raisio Life Sciences. The company dates back to 1939.

The free shares of the parent company, Raisio Group plc, are quoted on the Helsinki Exchanges Main List and restricted shares on the I List.

Key figures

	2001	2000
Turnover EURm	822.9	800.0
Operating profit/loss EURm	25.0	-32.2
Profit/loss before extraordinary items EURm	8.3	-46.5
Return on investment %	5.5	-4.2
Return on equity %	1.8	-14.9
Equity ratio %	38.1	34.7
Cash flow from operations EURm	36.4	15.9
Earnings per share EUR	0.04	-0.25
Cash flow per share EUR	0.22	0.10
Equity per share EUR	1.45	1.42

The Raisio Group employs some 2,700 people, 42 per cent of them abroad. It has production units in 25 locations, in 13 countries and sales offices all over the world. The Group's head office is in the town of Raisio near Turku in southwest Finland, but there are also production plants in eight locations elsewhere in Finland. Raisio Chemicals has 13 production units abroad, Raisio Nutrition two and Raisio Life Sciences one.



Vision and strategy

Vision

At the beginning of October, the Raisio Group Board of Directors and Supervisory Board approved a new vision for the Group and new strategic principles and goals. According to the vision, the Raisio Group will by 2005 transform from a food manufacturing company to become a leading international life science oriented chemicals company.

Strategic goals

Raisio is a reliable and preferred partner for its customers and other stakeholders. It employs top experts, and its competitive, innovative and safe products are largely based on renewable natural resources.

The Group's goal is to double its turnover in five years and achieve a return on investment exceeding 12 per cent. Another goal is to keep the equity ratio well over 30 per cent.

Raisio aims to be among the three leading companies in selected market areas in all of its three business sectors - Raisio Chemicals, Raisio Nutrition and Raisio Life Sciences.

Raisio Chemicals lays a foundation for strong growth in the Group. Existing paper and board industry expertise will be exploited globally, and the Group is prepared to make significant investments in securing expansion. Growth will be looked for in all three main product lines: starch and latex binders and specialty chemicals. Geographically, the growth prospects are best in Asia, particularly in China. The plan is to spend some EUR 300 million on corporate acquisitions in the next few years. The aim is to raise Raisio Chemicals turnover to one billion euros.

Raisio Nutrition's core business is based on management of the grain value chain, which includes milling, animal feeds, grain starch and malting. Organic growth will be supported by raising value added and looking for growing product segments. Various strategic alternatives will be assessed in the Margarine and Potato Processing businesses and in the Raisio Malt business area. Raisio Nutrition aims to be a clear market leader in its selected market areas and to achieve a turnover of EUR 500 million.

Raisio Life Sciences will be turned into a leading enterprise in the two main segments chosen on the sector's rapidly growing market. The first segment includes functional food ingredients for controlling heart conditions, diabetes and allergies. The second segment comprises diagnostic testing systems for the quality and safety of foods and animal feeds. The Benecol innovation is the spearhead of the entire sector, parallel to which new business will be created via product development and corporate acquisitions. The aim is to achieve a turnover of EUR 200 million.

Strategic path

The first phase will concentrate on improving profitability. The key target is to achieve higher profits, which will make productive investments possible.

Balance sheet pruning started with the sale of operations such as potato crisp production, Valmet-Raisio, which produces chemical and water treatment systems, and various housing properties owned by the Group. Apart from this, attention will be paid to balance sheet productivity. Reducing operating capital is a key factor in profitability. Operations have been boosted further by pruning out overlapping functions and utilizing internal synergies better.



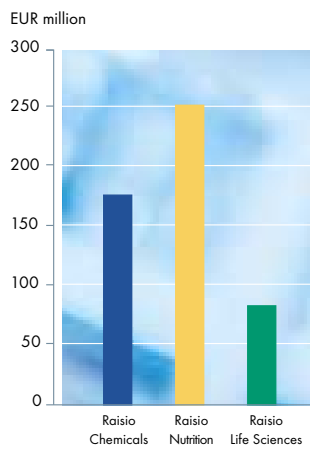


The new strategy is based on strong growth and the growth engine is Raisio Chemicals. Strategic partnership and acquisitions will support the organic growth. Corporate acquisitions will proceed gradually in 2002-2005.

Value process

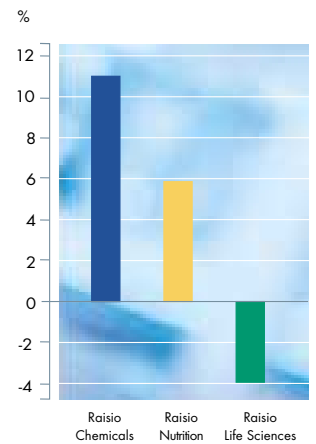
A debate on values was launched as part of the implementation of the Group's vision and strategic goals. The purpose is to identify and crystallize the Group's core values. To lay a foundation for the debate, a survey was made among Group personnel to find out what values and goals were important for them and how far the personnel felt they had been implemented. A working group was set up to formulate and implement the values. The aim is to formulate the Group's core values during spring 2002.

Invested capital Dec 31, 2001

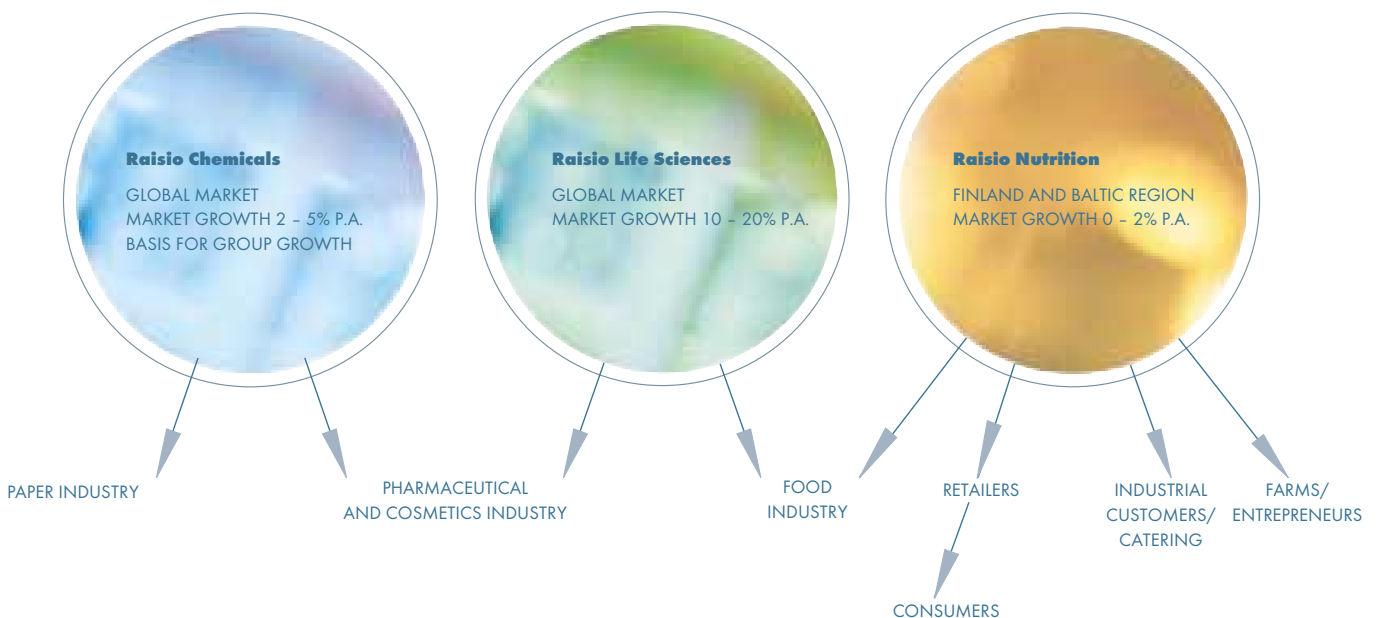


(According to management accounting)

Return on investment in 2001



Business sectors and customers





Raisio at a turning point

When I started as Chief Executive at the end of April 2001, I felt my most important and urgent tasks were to clarify the strategic direction the Raisio Group was going to take, to get profit-making capacity back on track and to find a common will and cooperation model. Advances were made in these respects during summer and autumn.

Future outlines and plans were drawn up jointly by the Group management and the Board, and the governing bodies approved them at the beginning of October. According to the new vision, the Raisio Group will become a leading international life sciences oriented chemicals company with a strong background in grain and vegetable fat expertise. In order to realize this vision we need acquisitions, a pruning-out of unnecessary operations, and structural reorganization. Planning and implementing all this are key challenges in 2002.

The third quarter showed a distinct improvement in financial performance, and this continued to look better in the last quarter even though the

operating environment for chemicals turned unexpectedly difficult as a result of a cyclical downturn in the forest industry. Growth in Raisio Chemicals slackened towards the end of the year, but profitability showed a substantial improvement. The prolonged downward trend in food turnover forced the business in Finland to take radical rationalization measures, the results of which will begin to be felt gradually in 2002. Animal Feeds and Raisio Malt did well in 2001. Implementation of the Benecol food ingredient strategy approved in 2000 began, and the first favourable results are already visible. Benecol resources were adapted to current demand volumes, and the break-even point was achieved in the last quarter. The first steps in improving profit-making capacity have thus been taken.

The various businesses of the Raisio Group have sprouted in different directions over the years, which is why corporate synergies and common operating models have not been exploited to the full. Moving over to our present three-pillar model allows for better cooperation in product development, purchases and logistics, for instance.

In 2002, the aim is to adapt the legal organization to correspond better to the operational structure. The wide range of brands and non-core businesses will be cut down further.

Value process under way

When the vision and strategy had been defined, we started a value process aimed at establishing common rules that would motivate the entire Group. In order to be able to achieve the goals of growth, profitability and expertise laid down in our strategy, we need a common value basis to support our daily operations.

Many business areas within the Group have already been engaging in the debate on values, and the results can be seen in their operations. Nevertheless, I consider it important that we can commit ourselves to a common value basis throughout the Group and thus reinforce the Group's internal synergies and team spirit.

New innovations and confidence in the future

The Raisio Group has top expertise in a number of different sectors. Raisio Chemicals has consolidated its current status with paper chemistry innovations and close cooperation with customers. Organic growth will be accelerated through acquisitions. The geographical focus is also shifting increasingly towards Asia, where market growth is substantially faster than in Europe or the Americas.

Raisio Nutrition's food product range has a lot of potential. Apart from basic foods, we have developed and continue to develop healthy, easy-

to-use, tasty new products. Marketing efforts will also increase. I believe that an emphasis on grain and vegetable fats, health and product safety will have an effect on an increasing number of consumers as they make buying decisions. This will revive Raisio's food sales. Successful product development will continue in Animal Feeds, too.

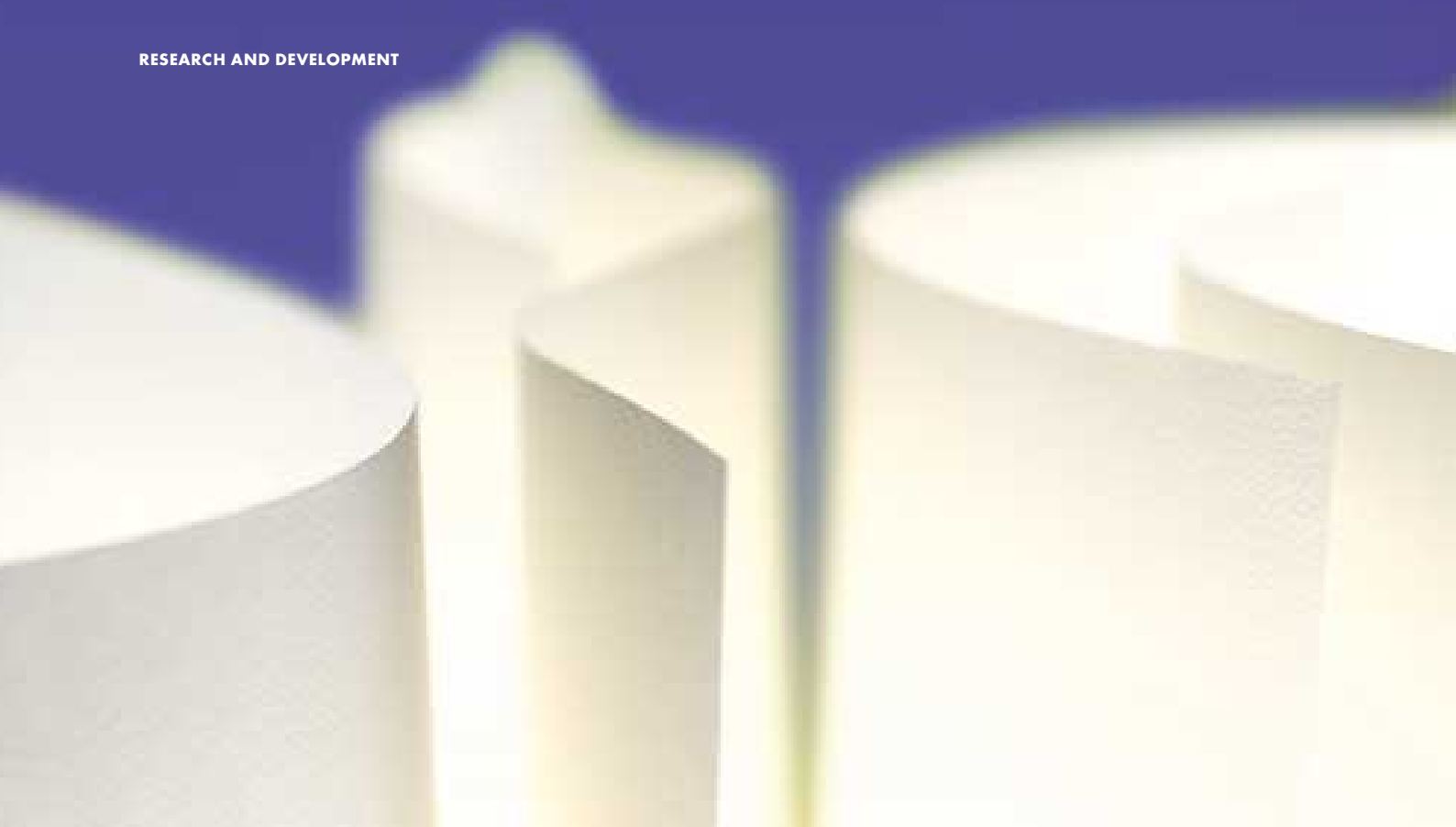
Raisio Life Sciences will advance into strategically new areas in 2002: food and animal feed diagnostics. Since the Raisio Group has only a limited amount of expertise in diagnostics, we have started screening companies and technological innovations for acquisition. Sales of Benecol ingredients are expected to expand into new geographical areas, and product development will continue to generate new functional ingredients.

Together into the future

The past year was a hard one for the personnel, particularly because of the uncertainty caused by numerous changes in the management. In the light of the results achieved towards the end of the year, even the decisions that felt the most painful at the time have been proved necessary. I would like to thank the entire personnel for showing the support and energy that will help us take the Raisio Group forward and enter a period of new growth. I would also like to take this opportunity to thank our customers and owners for their confidence, which will help us build Raisio further into a leading company in all its business and market areas.

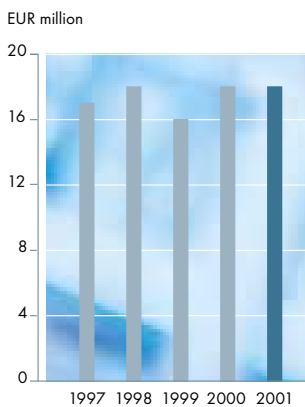


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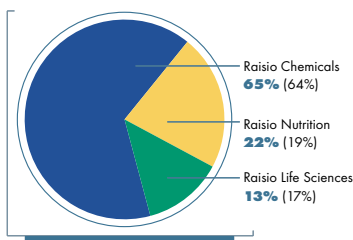


Research and Development

R&D expenditure



R&D expenditure by business sector



The Raisio Group's strategy and vision provide the guidelines for its R&D. The goal is continuous global development and exploitation of expertise and know-how to ensure business success, as well as products and solutions that are useful to customers. Food and feed diagnostics offer interesting new areas for R&D.

Personnel and inputs

The Raisio Group's three business sectors have their own R&D organizations. In addition, Group level Business Development coordinates research and development centrally.

An average of 200 people worked on R&D during the year, most of them (120) in the Raisio Chemicals.

Raisio's total investment in R&D in 2001 came to EUR 18.3 million, or 2.2 per cent of turnover. Raisio Chemicals accounted for EUR 12 million of this. It also wrote up some EUR 2 million in technology income, mainly from the sale of research, analysis and testing services. Raisio Nutrition accounted approximately for EUR 4 million of total R&D costs and Raisio Life Sciences for EUR 2.3 million.

Research centres and equipment

Group R&D is concentrated on the industrial estate in Raisio, which is also home to the Coating Technology Center CTC, the Paper Technology Center PTC, and the Raisio Chemicals, Raisio Life Sciences and Raisio Nutrition R&D laboratories. These three business sectors also have R&D units at other industrial locations in Finland and abroad.

Research networks

An important role is played in Raisio's technological profile by a network of R&D partners, comprising units in Finland and all over the world. The foreign partners include e.g. Ytkemiska Institutet, Svenska Livsmedelsinstitutet, Leatherhead Food Research Association, Maastricht University and Internationale Forschungsgemeinschaft Futtermitteltechnik.

The Raisio Group is promoting the expansion of the technology cluster in the Turku area by adding to the range of services offered by Turku Science Park. During 2001 the unique material surface research centre in Scandinavia, Top Analytica Ltd, went into operation, with Raisio Chemicals as one founder member, and various paper and paper machine companies and scientific research bodies as the other shareholders. Top Analytica offers surface research services and use of research

instruments to anyone needing them. Raisio Chemicals has its own facilities at the centre. Raisio also played an active role in developing the strategy and operating concept of the Functional Foods Development Centre in PharmaCity, also in Turku.

Through individual development projects, Raisio also contributes to public research programmes such as the Tekes-funded Food and Health programme, Polymers as Builders of the Future programme and Finnish malting barley development programme. Raisio also participates in confidential bilateral corporate projects within these and other research programmes.

Product development

Raisio Chemicals

A large proportion of Raisio Chemicals development work is done in projects with key customers, and within more extensive research programmes with paper research centres and universities.

Raisio Chemicals is working on its core technologies in starch and latex binders and specialty chemicals. New papermaking concepts, paper printability and environmental soundness of products, and test methods related to papermaking and the recyclability of the materials used, are special focuses for development. The notification process required by EU law for two new chemicals is under way, and the FDA approval process for a new substance for food package use is in progress. Two development-phase chemicals are going through the international risk evaluation that is essential before they can be put onto the market.

Raisio Chemicals launched a Raisabond Plus paper strengthening polymer line and Raisarun dewatering product line. The polymer concepts related to paper strength, coating and printability are all being test-run on industrial scale. Multifunctional strength and coating concepts combining Raisio Chemicals' extensive expertise in paper industry additives are also at the test run and trial printing stage.

Raisio Nutrition

Development and commercialization of Raisio foods aims to provide consumers with alternative ways of putting together a healthy diet, and also with health promoting and functional foods.

Healthy easy-to-use foods based on grain and vegetable fats form the basis of the product range. New products in this group include fibre-rich

pastas and additions to the Helppo Sunnuntai instant baking range.

New health promoting products introduced in 2001 are Elovena instant oat flakes added with fibre, as well as cream cheese and yoghurt type soy products in the Beneviva family launched in December. The Beneviva products are Raisio's response to the growing demand for vegetable-based products. The basic technology used in products developed by Carlshamn Mejeri to supplement the Tofuline products can also be applied and extended to other vegetable-based raw materials.

In the Animal feeds business area, the development of feeding programmes jointly with farmers is an integral part of Raisio business. A new feeding programme linked to silage digestibility was introduced for dairy cows, together with various innovations designed specifically to safeguard animal health in the fast-growing poultry sector. In the course of the year the development and commercialization of a new type of piglet feeding programme were completed. This new Baby-Starter feed is intended as a supplement for suckling piglets. It effectively reduces piglet mortality and boosts the growth of young pigs. This is a completely new type of feed in Finland and a new technical solution including production line investment.

One of the most important projects in malt business R&D is the development of barley particularly well suited to malting. R&D in the Finnish malting barley development programme and its supplementary projects in fact focuses on ensuring consistent barley quality and reducing protein content, as well as minimizing damage caused by splintering of the barley husk throughout the production chain.

Raisio Life Sciences

The functional ingredient in Benecol products is stanol ester, and this is used in a wide range of products, including margarines, yoghurts, ready foods, milk and snack bars. The aim is also to develop functional ingredients to manage heart health, diabetes and allergies.

Raisio Life Sciences is expanding into food and animal feed diagnostics which meets the increased need of consumers to be able to verify the safety of the food they eat. This is introducing new areas into Raisio R&D coverage.

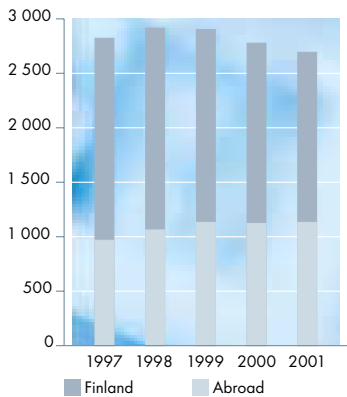


Outi Enberg (left), Anu Nolvi and Jarmo Vahala testing new Beneviva products in the Raisio Nutrition sensory research laboratory. Soy-based Beneviva is a Scandinavian brand intended for all consumers interested in their well-being.



Human Resources and competence development

Average personnel



Professionally skilled staff is the key to implementing the Raisio Group's vision and strategic goals. The human resources management is part of the strategy process, supporting continuous human resources development and ensuring the Raisio Group's competitiveness as an employer in all business sectors.

Human Resources

The personnel averaged 2,684 (2,775) people in 2001. 42 (40) per cent, or 1,124 (1,120) worked abroad.

The number of personnel has gone down in the past three years. Operational adjustments in 2001 affecting the total were made mostly in the Food Division. As a result of the co-determination negotiations concerning personnel in Finland, changes were made in the employment relationships of some 60 people. Fixed-term employment relationships were not made permanent, a number of people were transferred to other duties in the Group, and some thirty contracts of employment were terminated.

Adjustment of milling capacity to current demand led to closure of the Melia Ltd mill in Hämeenlinna and the transfer of production to the units in Raisio and Nokia. The potato crisp production in Pyhäntä was divested and the head office's printed matter,

form design and telephone exchange services were outsourced. These measures affected some 30 people.

Improvement of Raisio Chemicals' cost efficiency included the rationalization of office functions in the Americas and Europe. The head office of Raisio Chemicals' American operations was transferred from Vancouver to Burlington, where the unit's technical centre was already located.

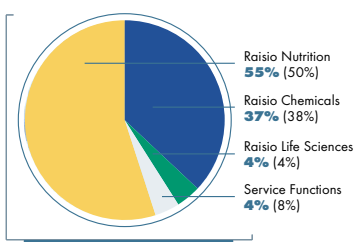
Competence development

The 'Developing Raisio' opinion survey carried out earlier at the Raisio Group's Finnish units was also completed at the units abroad in 2001. The findings were used to outline the further development of the working environment, management skills and a more transparent corporate culture.

The performance appraisal practice introduced in 2001 is already becoming a standard tool of competence management, but the model still needs to be fine-tuned to meet the needs of different personnel groups better.

In autumn 2001, Raisio's new vision and strategy were approved. Clear goals were also established for launching management training programmes and extensive supervisory training schemes, and

Personnel by business sector Dec 31, 2001





*Raija Savolainen (left) from Raisio Chemicals and Anne Nykänen from Raisio Nutrition completed their doctoral studies last year. Anne Nykänen's doctoral dissertation deals with the prevention of *Listeria Monocytogenes* bacteria growth in fish products using nisin and lactate. In her doctoral dissertation, Raija Savolainen developed a ketene dimer based additive for uncoated fine paper to improve printability and machine runnability.*

for drawing up a training policy for the entire personnel. The first stage was to centralize all language training, which had previously been non-uniform at the Finnish units, and its administration jointly with an external partner. Long-range cooperation with a single partner will make it possible to develop language training systematically to meet personnel needs, e.g. in improving the linguistic and cultural skills.

The 'Learning Raisio' programme was another part of the competence development plan. Its aim is to create a framework to help the organization to meet the challenges of keener competition and a changing business environment, e.g. by identifying key and core competence areas and applying a continuous improvement model.

Raisio Chemicals sought to improve competence and systematic experience and information exchange by offering its technical experts a Product Training programme and its management a Tattoo Management Training programme.

A personnel administration IT system was adopted in 2001 to improve the administration and utilization of competence and expertise. The system records basic personal data, includes a CV bank and keeps score of information related to training carried out and to personal development plans.

Pay and incentive systems

The Raisio Group pay policy focuses on external competitiveness, incentive and internal justice. A competence classification system was adopted for middle management to be used as a pay policy instrument. The competence classification used in the food and chemical industries is being applied to other salaried employees. Competence classifications and pay policies for wage-earning personnel follow the pay grouping instructions in the various collective agreements.

The aim is to adopt pay systems based on a competence classification of jobs in the units abroad, too, while taking into account the pay structure, employment legislation and collective bargaining practices in each country.

In 2001, a bonus system was approved for the Raisio Group units in Finland in order to maintain and promote successful, long-range cooperation and profitable operations among the personnel. The bonus scheme is partly based on the performance of the whole Group and partly on achievement of the targets for individual business sectors.

The purpose of the bonus scheme is to create an increasingly motivating working environment and to reward the personnel for exceeding targets. The motivational aspect of the scheme will be developed further in the future. The potential for adopting a similar system at the units abroad will be investigated.

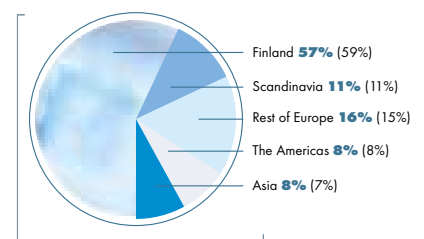
2002 challenges

The management faces the challenge of ensuring that the personnel will continue to see the Raisio Group as a reliable employer. Another aim is to integrate corporate personnel in various parts of the world and their expertise more closely into the Raisio Group.

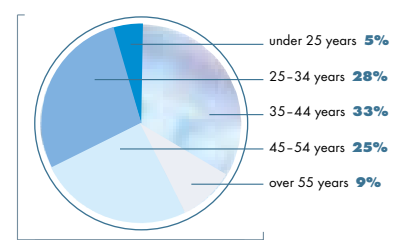
The Group aims at a more transparent corporate culture, for instance by developing internal communication, performance appraisal practices and leadership and management skills. The value process under way supports these goals.

As part of the goal of improving the well-being of the personnel and of meeting the challenges of future age management, the Group has also started a project to investigate and promote activities maintaining working capacity and improving the working environment.

**Personnel by geographical region
Dec 31, 2001**



**Personnel age breakdown
Dec 31, 2001**



Environment

Raisio Group's environmental policy commits it to sustainable development, with the key principle of processing renewable natural resources whenever possible.

The environmental policy approved by the Raisio Group Board of Directors is committed to the principles of sustainable development laid down in the Business Charter for Sustainable Development (International Chamber of Commerce 1990). Raisio Chemicals is also involved in the international chemical industry's Responsible Care programme.

Raisio Nutrition and Raisio Life Sciences process cultivated plants or raw materials from other renewable sources. Most Raisio Chemicals raw materials are also renewable cultivated plants, though it uses some synthetic materials processed from crude oil, too. Raisio Chemicals product concepts serve the paper industry, which gets its primary raw material from forestry, and thus contribute to the environmental efficiency of the entire wood processing chain.

Environmental management an important factor in operational management

The Raisio Group Board of Directors considers environmental management an important goal for the entire Group. Responsibility for environmental and safety issues rests with the business sectors, as does responsibility for business performance. All Raisio Group business areas have considerable expertise in environmental matters, and their environmental management complies with the ISO 14001 standard to large extent. Most business area management systems have also been certified.

Environmental management makes it possible to achieve the corporate environmental goals. The most important of these are to reduce waste, increase waste recycling and improve energy efficiency. Detailed targets are set locally by the various units and production plants.

Environmental soundness a goal in product development

The Raisio Group is committed to improving the well-being of humans and animals. Development and production of healthy foods and functional



food ingredients are an important focus. Raisio Chemicals product development also favours renewable, environmentally sound raw materials and process alternatives.

Good management of environmental issues is not only a central area of focus in Raisio operations but also an important aspect of cooperation with business partners. Improving environmental efficiency in products is an important goal in product development. Raisio Chemicals and Animal Feeds, in particular, work with their customers on minimizing environmental impacts.

Most significant environmental events in 2001

In 2001, the Raisio Group was one of the industrial parties joining an extensive 'Foodchain' research project coordinated by the Technical Research Centre of Finland (VTT) and MTT Agrifood Research Finland. The project focuses on the effect of certain variables on environmental impacts throughout the product life cycle. The Raisio Group is involved in all its three sections. The life cycle product studied in the grain product section is oatflake, while cheese is studied through the animal feed intermediate product and the potato processing section concentrates on the cultivation impacts of potato used as raw material. The findings will make it easier to take the environmental impacts of various functions into account and to create product-specific environmental profiles.

In spring 2001, the Raisio Group published a Quality Grain booklet for private consumers and other customers. It describes the grain life cycle all the way from cultivation inputs and the farmer's field via warehousing, quality and use control and through the industrial process to the consumer.

In summer 2001, the Milling business area's rice and flake production units were granted permits entitling them to certify their production as organic.

Flake production also fulfilled the quality classification laid down in the EU directive on baby foods.

Automation of sampling of grain received improved work safety substantially. This was a major investment in safety by Raisio Nutrition. The animal feeds profit centre in Raisio now has remote-controlled sampling equipment, which will eliminate manual sampling of grain loads.

Raisio Chemicals is committed to the Responsible Care programme, which is the chemical industry's international environmental, health and safety programme. Safety was the 2001 theme chosen by the Chemical Industry Federation of Finland and implemented globally by attaching greater attention to reporting of accidents and 'close shaves' and to making safety issues visible. Towards the end of 2001, Raisio Chemicals and the joint venture Latexia joined the Safety 24 h project initiated by chemical industry associations. The aim is to produce new ideas and find new tools enabling the company to improve safety, and to offer Raisio expertise for use more widely.

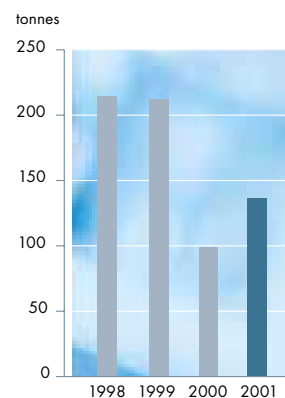
Separate environmental reports

Both the Raisio Group and Raisio Chemicals issue separate environmental reports. The Group has published an environmental report since 1998 and Raisio Chemicals since 1995. The environmental reports can be read on and ordered through the Group's webpages at www.raisiogroup.com.

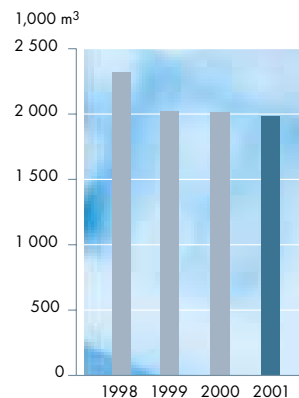
Volatile hydrocarbons (VOC) is an important indicator used for emissions into the atmosphere. Other emissions into the atmosphere are marginal and variation is caused by random changes in the use of fuels. Another important indicator is wastewater. Most Raisio Group wastewater is pre-treated and forwarded for further treatment to partners' wastewater treatment plants.

Environmental issues at Group and business sector level are coordinated by Maritta Punta (left), Britta Sunde, Pekka Heikkilä and Leena Aalto.

Volatile hydrocarbons (VOC) emissions into the atmosphere



Wastewater emissions



A close-up photograph of a hand holding a black cable. The hand is positioned in the lower-left quadrant, with fingers wrapped around the cable. The background consists of diagonal stripes in shades of yellow, white, and light blue. A dark shadow of the hand and cable is cast onto the background to the right.

DEVELOPMENT OF OPERATIONS BY BUSINESS SECTOR



The new Group structure promotes the achievement of strategic goals

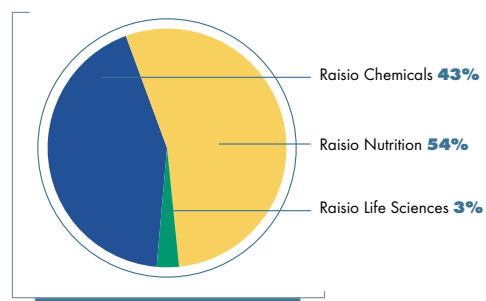
When Raisio Group announced its new strategy and vision in the autumn, it reorganized its business into three sectors: Raisio Chemicals, Raisio Nutrition and Raisio Life Sciences. In future, the target is to get the legal structure to correspond to the functional organization and to corporatize the business sectors into sub-groups of their own.

The new organization will advance achievement of the Group's strategic goals; Raisio Chemicals will contribute growth and internationalization, Raisio Nutrition expertise related to the grain chain and vegetable fats, as well as cash flow, Raisio Life Sciences renewal and innovative ideas. Another goal is to intensify utilization of synergy benefits within the business sectors and at Group level. For instance, purchasing of farming raw materials and packaging materials for Raisio Nutrition and Raisio Life Sciences has been concentrated in a single unit, called Purchasing and Logistics. Business Development in turn coordinates Raisio's strong R&D expertise between and within the business sectors at Group level.

The new Group structure was adopted at the beginning of 2002, and this report presents the business sectors in accordance with the new 'three-pillar' model. The official report on consolidated performance is based on the 2001 model, however, covering the five former divisions: Chemicals, Food, Benecol, Animal Feeds and Malting. In the new model, grain starch has moved from Raisio Chemicals to Raisio Nutrition.

The growth engine in the Raisio Group's new strategy is Raisio Chemicals, the Group's most international business sector. In the picture, personnel at Raisio's plant in Veurne, Belgium.

Turnover by business sector (EUR 822.9 million)



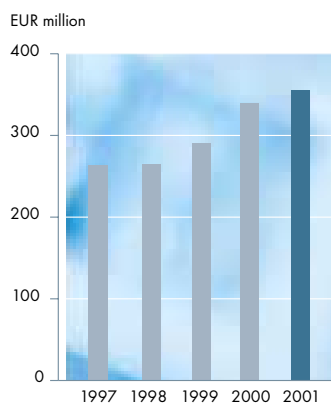
Raisio Group operational structure as of January 1, 2002 (turnover and operating result 2001 pro forma)



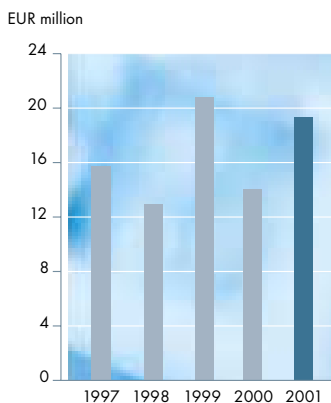


Raisio Chemicals serves the global paper industry

Turnover



Operating profit



The figures for the Grain starch business transferred to Raisio Nutrition are not included in the turnover and operating profit.

The mission of Raisio Group's chemicals business sector, Raisio Chemicals, is to serve the paper industry globally, supplying it with functional paper chemicals, chemical concepts and R&D targeted at the customer interface. Its continued aim is to build on relations with key customers and its standing as a globally significant and recognized supplier of chemicals and chemical concepts to the paper and board industries.

Slackening demand reflected in turnover

Demand for paper, which is tied to general economic trends, went down significantly in 2001, and capacity utilization rates were especially low in Europe and North America. Paper production fell in these areas, particularly radically in coated grades. In Finland, paper industry capacity utilization rates fell from 93 per cent early in the year to below 84 per cent in the last quarter. On the other hand, both paper consumption and production grew in Asia, especially in China. In 2000, nearly all the available capacity was being used.

Turnover by Raisio Chemicals was up some 5 per cent, totalling EUR 364.2 (346.5) million. Of all the geographical regions, Asia increased its turnover

24 per cent. Of the various product lines, latexes grew by 25 per cent, mainly as a result of the establishment of the joint venture Latexia S.A. with the French company Rhodia in August 2000. Sales of starch binders and specialty chemicals remained at the previous year's level in Europe but fell in North and South America.

Operating profit up in spite of difficult market situation

Raisio Chemicals operating profit came to some EUR 17.3 (11.9) million according to the Group structure 2001. Profitability was increased by lower prices for petrochemicals-based raw materials, while the poor demand for coating binders reduced operating profit. At the end of the year, Raisio Chemicals sold its minority share (49%) in Valmet-Raisio to Metso Corporation, boosting operating profit by EUR 4.3 million. Particular attention was attached to cost efficiency in all operations, and improvements were achieved for instance by rationalizing offices in both Americas and Europe.

Sales of starch binders increased in Asia and Russia

The general slackness in the paper industry in

Europe and the Americas reduced total consumption of starches in 2001. A fall in the demand for fine paper caused a decrease in sales of modified starches, in particular. Sales of starches fell distinctly in Finland and in the other Nordic countries. Nonetheless, the total volume of deliveries remained close to the 2000 level, as use of starches increased in Asia and Russia. Raisio Chemicals sales of starches in North America, although fairly low in volume, developed favourably, especially in terms of profitability.

Material advances were made in the development of new products and product concepts, especially in coating and surface sizes. A new type of product family expected to open up new markets was developed in the range of wet-end starches used to improve internal paper strength. Development work on the applicability of various starch qualities used as raw material in the modification process made substantial progress.

General reductions in the potato starch production quota set by the EU and Finland's small quota relative to consumption caused problems, though Raisio Chemicals finally managed to solve these by switching to alternative starch raw materials. New EU starch quotas will be decided in 2002, and Finland aims to have its production quota raised to a level that meets the country's need better.

In recent years, European and North American starch producers have suffered from fairly poor profitability. In 2001 there were signs of attempts to improve profitability through mergers and sectoral rearrangements. Demand for starch is expected to look up in 2002, which is expected to be better than 2001 in terms of growth and profitability.

Good growth prospects for latex binders

After setting up a joint venture, Latexia S.A, with the French chemicals company Rhodia in August 2000, Raisio Chemicals has a strong position as a supplier of latex binders. Raisio and Rhodia each own 50 per cent of the company. Latexia operates on the market together with Raisio Chemicals' other paper chemicals business through joint key customer management. Fifty per cent of the company's income statement and balance sheet is combined with the Raisio Group consolidated figures on a line by line basis.

Latexia has a market share of some 22 per cent in the European paper industry and it is also an important supplier of latex binders to Indonesia, China and Brazil. Mostly because of the poor market situation in the paper industry, use of latex binders fell significantly on the previous year.

Manufacture of coated paper grades decreased more than six per cent in Europe.

In 2001, Latexia targeted its development inputs at developing a new product series with a view to trends in the pigment and paper industries. Inputs were also made in improving the efficiency of production technology and in risk-free production and use of products. Raisio Chemicals is also involved in the printing method development aimed at reducing the use of organic solvents in printing presses. Product development aims at ensuring printability while using water-soluble and environmentally sound solvents. Raisio Chemicals was also involved in the development of a new spray coating method, which calls for new binder solutions.

In future years, production of coated paper is expected to increase faster than that of other paper grades, which will increase demand for latex binders. One aim is growth in sales to China.

Sales of specialty chemicals increased in all market areas

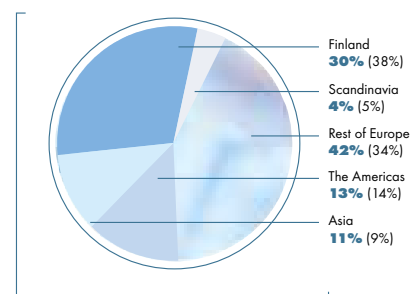
Specialty chemicals comprise hydrophobic sizes, de-inking chemicals, Raifix and Raibond polymers and coating additives. Sales of specialty chemicals continued to increase in all market areas. The global annual growth rate in demand for polymers is 7 per cent. As paper fibre undergoes an increasing number of recycling processes, the need for better, strength-improving polymers grows. A high recycling rate weakens the strength properties of paper and board, which means increasingly effective strength-improving additives are needed. Raisio's concepts for improving strength are the most advanced on the market and cover the most ground. Increasing use of recycled fibre by key customers in mills on the European Continent caused a 35 per cent increase in sales of de-inking chemicals in Europe. The new products of the unit in Korea did particularly well on the Asian market.

Sales of hydrophobic sizes fell 8 per cent in 2001. The trend reflects a general downward cycle in the European and North American paper industries. In the Nordic countries, the fall in sales is due not only to the downward cycle but also to changes specific to paper grades and to the change-over to grades that require less sizing. The fall in sales was partly counter-balanced by steady demand elsewhere in Europe.

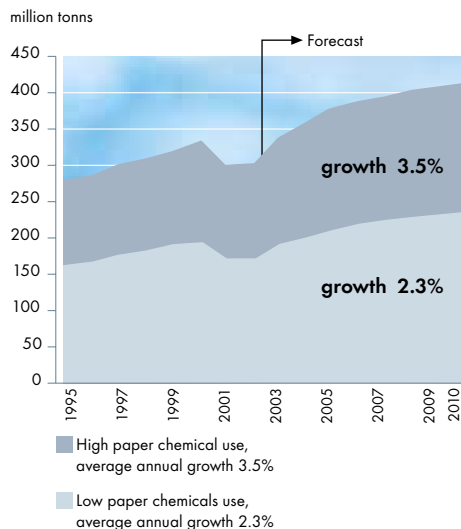


The goal of the Raisio Chemicals key customer system is to be a strategic partner and advance customers' business through strategic cooperation.

Turnover breakdown by geographical area



Paper and board demand



Demand for paper and board is expected to grow at an average annual rate of 2.8 per cent. The growth is likely to be above average in high-quality paper and board grades requiring a lot of paper chemicals.

Most Raisio Chemicals R&D is carried out jointly with customers and partners. The CTC Coating Technology Center in Raisio carries out related test runs on paper coating. Ville Kakko at the coating machine.



The sales decrease in North America can be seen against the background of a major fall in paper production capacity, particularly in the United States. In Asia, however, the economy gained strength, and investments were made in the paper industry in China, which resulted in 11 per cent growth on the previous year.

The AKD wax plant in Toulouse, France, suffered major material damage from an explosion at a nearby fertilizer plant in September. This temporary suspension of production did not have a major effect on Raisio Chemicals operations, however. The plant is expected to resume production in the first months of 2002. According to current estimates, the insurance covers all loss of profit and property damage.

There is an increasing need for more and more demanding functional paper properties, such as better four-colour offset printability in many grades not originally using sizing. These offer encouraging growth prospects in future years. New multi-functional polymer product concepts have been developed to meet this particular need.

Key customer management serves the increasingly global paper industry

The purpose of Raisio Chemicals key customer management is to serve the increasingly global paper industry still more efficiently and to achieve better coverage in products, services and product development. Key customer management concentrates on understanding the needs of the paper industry and individual customers by creating ever more efficient routes for developing and expanding technological innovation.

In 2001 Raisio Chemicals continued its inputs in customer service and in strengthening customer relations. Special attention was paid to developing staff expertise and expanding experience within the company. In order to be able to meet the needs of leading paper manufacturers in a coordinated manner, Raisio Chemicals and Latexia established joint teams for key customer management. At the same time, Raisio Chemicals reinforced its service and technologies. In response to the more global needs of customer industries, key customer teams have been extended to cover North America, too.

R&D together with customers

Raisio Chemicals spent EUR 12.0 (11.8) million on R&D, some 3.3 per cent of the sector's turnover. Raisio Chemicals also entered some EUR 2 million in

technology income, consisting mainly of sales of research, analysis and test run services. Most R&D projects are carried out jointly with key customers and other paper and board industry partners. One example of such cooperation is Top Analytica Ltd, a material surface research centre established in 2001; apart from Raisio Chemicals, its founding shareholders include paper and paper mill companies and scientific research bodies.

R&D is carried out at three institutes in Raisio and in local development centres in Blackburn, UK, Burlington, Canada, and Cheonan, South Korea. Latexia S.A. has development units in Finland and France. The CTC Coating Technology Center in Raisio, of which Raisio Chemicals owns 75 per cent, increased its capacity by starting to work in two shifts at the beginning of 2001.

In product development, Raisio Chemicals favours renewable, environmentally sound raw materials and process alternatives. Emphasis in product innovation is on polymeric solutions, since they are well suited to paper production because of their strength properties.

Raisio Chemicals strengths are high quality research centres, good R&D expertise and specialized paper chemistry knowledge. Raisio Chemicals is a valued partner in its key customers' confidential development and investment projects requiring extensive expertise in paper chemistry.

Investments mainly replacements

Investments, at EUR 16.5 (30.5) million, comprised mainly replacements and efficiency-enhancing measures. The biggest expansion investments were in increasing the capacity of the Raisio France production line in Toulouse in summer 2001 and completion of Latexia's third reactor line in Kaipainen, Finland.

Other significant investments were the launch of modernization of potato starch production in Lapua and investments in a wastewater treatment plant for Raisio Belgium.

Better performance expected

Raisio Chemicals is expected to write up better performance in 2002 than in 2001. Sales of paper chemicals are expected to increase towards the end of the year. Demand for coated paper is expected to improve particularly thus accelerating the demand for latex binders. Cost savings in European and American operations will continue to improve profitability.

Raisio Chemicals' strategy of vigorous growth relies on organic growth and corporate purchases. Alternatives are being investigated, and the first results will be seen in 2002. Raisio Chemicals aims

primarily to reinforce its status in paper industry binder and specialty chemicals and to acquire a leading role as a supplier of functional paper chemicals.



Latex binders are used in the manufacture of high quality coated paper to improve appearance, print and readability. Coated paper production is expected to grow faster than that of other paper grades.

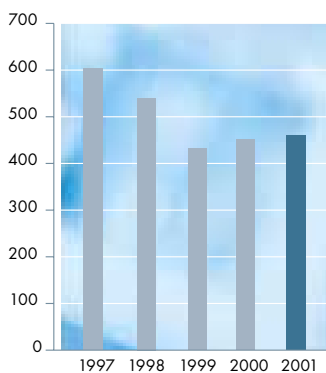
PRODUCTS	MARKET STATUS	RESOURCES
STARCH BINDERS 38% of Raisio Chemical turnover		
<ul style="list-style-type: none"> - used in paper and board production - improve the internal strength, surface strength and printability of paper and board - main uses: paper machine wet end, surface sizing unit and coating machine - the multiple raw material base in the modification industry consists of potato, wheat, barley and tapioca starches 	<ul style="list-style-type: none"> - strong market status in the Nordic countries with Raisio accounting for some 30% of all starches used by the paper industry - equivalent market share in Europe some 12% and globally some 7% - one of the world's leading suppliers of cationic starches to the paper industry 	<ul style="list-style-type: none"> - production in Finland, Belgium, the US, Indonesia and Thailand - own cationization chemical production
LATEX BINDERS 25% of Raisio Chemicals turnover		
<ul style="list-style-type: none"> - used in paper and board coating - improve paper appearance, print and readability, and reduce use of printing ink - improve press runnability - coating saves wood fibre materials 	<ul style="list-style-type: none"> - coating latexes account for 22% of the European market - significant share in Indonesia and Brazil, sales keep growing in China - coating is expected to increase by some 5% a year - the world market totals some EUR 2 billion 	<ul style="list-style-type: none"> - joint venture Latexia has factories of its own in Finland, Sweden and Austria - contracts with Rhodia for production in France, Germany, Spain, Indonesia and Brazil - CTC Coating Technology Center in Raisio
SPECIALTY CHEMICALS 37% of Raisio Chemicals turnover		
Hydrophobic sizes		
<ul style="list-style-type: none"> - regulate the absorption of water-based liquids in paper and board - improve paper printability and packaging board quality - paper industry uses various sizing technologies and Raisio Chemicals can offer all these concepts 	<ul style="list-style-type: none"> - 10% of world market, 18% of the European market - market leader in Finland, Colombia, France, Indonesia, Portugal and the UK - well-developed global market with over 5% annual growth 	<ul style="list-style-type: none"> - production plants in Europe (7), North America (3), South America (1) and Asia (3)
Specialty polymers		
<ul style="list-style-type: none"> - used for improving paper and board quality and production processes 	<ul style="list-style-type: none"> - 4% of world market, 10% of the European market - market share among key customers over 40% - sales in all market areas - total market growth 7% a year, Raisio sales growth 20-30% in the past 5 years 	<ul style="list-style-type: none"> - production plants in Europe (3), Asia (1) and America (1)
De-inking chemicals		
<ul style="list-style-type: none"> - de-inking chemicals for ink removal of recycled paper 	<ul style="list-style-type: none"> - 5% of world market, 10% of the European market - market share among key customers over 40% - Raisio sales growth 35% in 2001 	<ul style="list-style-type: none"> - production plants in Europe (2) and America (2)
Coating additives		
<ul style="list-style-type: none"> - used for paper and board coating - improve coating machine runnability - give paper special qualities 	<ul style="list-style-type: none"> - market leader in coating slide agents in Finland - paper coating expected to show 5% annual growth 	<ul style="list-style-type: none"> - production plant in Finland - CTC Coating Technology Center in Raisio



Raisio Nutrition utilizes synergy benefits in processing chain

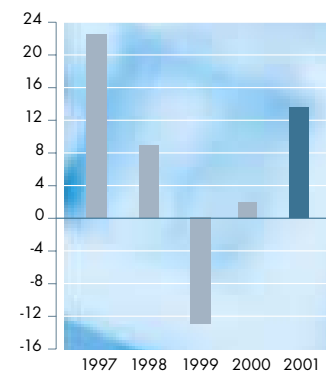
Turnover

EUR million



Operating profit/loss

EUR million



The figures for the Grain starch business transferred from Raisio Chemicals are included in the turnover and operating profit.

Raisio Nutrition's mission is to control the processing chain of grain and oil plants traceably from grain to food stuffs, raw material for other food production and animal feeds. The aim is to ensure organic and efficient utilization of grain and oil plants in which the good properties of the vegetable-based raw materials are preserved and their by-product fractions utilized. All operations are based on customers' needs.

More value added in grain and oil plants

Raisio Nutrition was established at the end of 2001, and comprises the Food (Milling, Margarine, Potato Processing), Animal Feeds and Raisio Malt business areas and the Grain Starch business. The purpose in combining these business areas was to utilize synergy benefits with maximum efficiency in the grain and oil plant processing chain. For instance, oil is extracted from the seeds of oil plants for food production and the crushed seeds are used for animal feeds. Diversified use of grain and oil plant seeds in processing provides a good foundation for efficient purchasing of grain raw material and contract farming.

Raisio Nutrition's strengths are its good market knowledge, high-quality operations and professionally skilled personnel, which make it possible to increase value added in grain and oil plants.

The Food business area benefits from common resources

The Food business area was established at the beginning of 2001 by combining the Raisio Group's Margarine, Milling and Potato Processing businesses with the aim of achieving a distinct improvement in productivity and profitability by utilizing sales, marketing, product development and other such resources more efficiently. Broader use of vegetable-based foods and synergies in production provide a good foundation for the favourable development of the Food business area. The united grain and vegetable fat expertise of Raisio Nutrition creates interesting potential for developing new products by combining various good nutritional properties of vegetable-based products, such as grain fibre and the non-saturated fatty acids in oil plants.

The business area's turnover for 2001 came to EUR 264.5 (284.0) million. The decline was primarily due to a significant fall in margarine exports to Russia. For profitability reasons, some 'private label' production was given up as part of the process of concentrating milling capacity.

The operating profit of EUR 4.4 (-0.3) million was notably better than the year before. It includes the one-off profit from the sale of the Tuoppi and Vitanova brands.

Efficiency was intensified and cost savings were achieved by changes in the organization and cutting the number of brands. The profit impact will be seen from 2002 onwards.

The challenge faced by the Food business area in the near future lies in preparing for tougher international competition, maintaining high quality and achieving a sharper profit-making edge. Tasty, healthy, easy-to-use vegetable-based basic and special foods have a good chance of winning an increasing share of overall food consumption. To reach this target also marketing communication will be rationalized and made more uniform.

Milling

Turnover by the Raisio Group milling company Melia Ltd shrank by slightly under 7 per cent, totalling EUR 74.4 (79.7) million, but operating profit improved substantially. Cost efficiency was improved and capacity utilization rates raised by closing down the mill in Hämeenlinna, Finland at the beginning of the year. The mill was closed in April, when most wheat milling was moved to Raisio and rye milling to Nokia.

Finland's total market for retail products grew in the porridge flake, pasta and rice product lines. Melia kept its good market share in porridge flake products, but the market shares of wheat flour and pastas sold by retail outlets shrank slightly. The market share in pastas and rices was reduced, mainly by imports.

A cooperation agreement was made with Cerealia Ab on supplying the Swedish KF retail chain with a rice product series, an important opening towards the Swedish market. Development of rice polishing and packaging will make it possible to sell special rices in Finland, too.

Raw material prices rose in milling in 2001, a special challenge in terms of profit-making. Profits are expected to improve in the Milling business in

2002, however, primarily as a result of higher capacity utilization rates.

Margarine

Raisio Nutrition's Margarine business comprises three profit centres: Raision Margariini in Finland, Carlshamn Mejeri in Sweden and Raisio Polska Foods in Poland. Turnover for the Margarine business fell by more than 8 per cent, to EUR 162.6 (177.3) million. Operating result was slightly below last year's figure.

Turnover by Raision Margariini went down to EUR 67.7 (77.8) million. In spite of this distinct fall in turnover, Raision Margariini succeeded in coming close to the previous year's operating profit.

The most important factor reducing turnover was the fall in exports of margarines to Russia. Competition has tightened on the Russian food market, as Raisio's biggest European competitors have started establishing factories of their own in Russia. At the same time, local margarine brands have reinforced their position. The export distribution system adopted in spring did not work as expected, and an import ban on dairy products issued by the Russian authorities reduced margarine exports further. Another major reason for the low turnover achieved by Raision Margariini was that Finland's main trading chains imported more of their own brands.

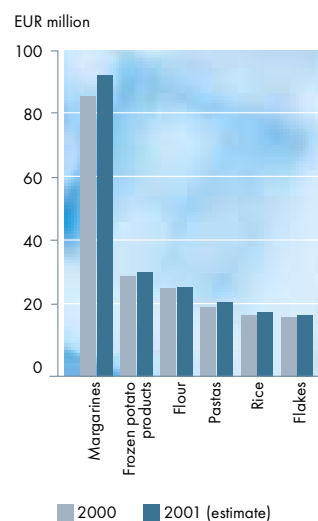
Finland's margarine market remained at the previous year's level with the exception of functional and liquid margarines, which showed a distinct upward trend. In 2001, sales of functional margarines rose by close on 50 per cent in terms of value. Sales of Benecol products accounted for more than half of the total market in 2001. According to a ScanTrack survey by ACNielsen, the market share of functional margarines accounted for by Raisio's Benecol margarine was 61.1 per cent in terms of value in 2001, while the share accounted for by a competing British product was only 38.9 per cent.

Carlshamn Mejeri's turnover came to EUR 64.2 (71.0) million, and the operating result continued to be in the red. Although turnover fell, delivery volumes remained at the previous year's level. This is due to growth in the volume of private label products and less demand for Carlshamn's own brand. Turnover was further reduced by declining exports. The market situation on the Swedish edible fat market is difficult, since market volume shrank by a total of 4.2 per cent and value by 2.3 per cent in 2001.

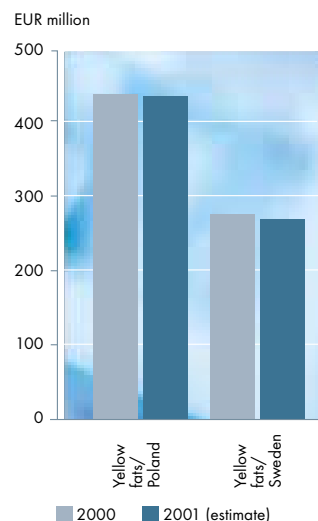


Raisio's Food business area develops tasty, healthy, safe and easy-to-use grain products.

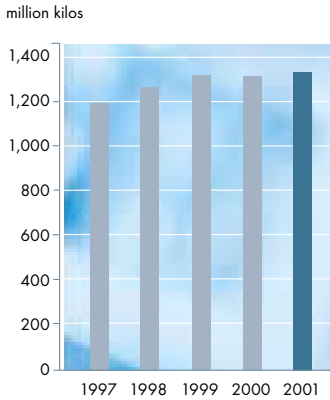
Retail market in Finland



Retail market in Poland and Sweden



Use of industrial feeds in Finland



Turnover by Raisio Polska Foods was EUR 35.0 (33.7) million. Stiff price competition continued. Marketing inputs concentrated on the Masmix brand, which continued to reinforce its market position. The benefits of a strong market position were also seen in operating profit, which improved distinctly on 2000. In May, Raisio Polska Foods introduced an economy-priced Kaja margarine and Benecol margarine at the end of the year.

Competition is tightening on margarine markets, primarily because of significant overcapacity on the Continent. A separate study was started at the end of 2001 with the aim of developing the Margarine business and in particular improving productivity and profitability at the Swedish profit centre. At the moment, the capacity utilization rate is low in both Finland and Sweden.

Business profitability and the competitive edge of margarine products are expected to improve with closer integration of profit centre operations. Prospects for the Margarine business's financial performance are more favourable now than in 2001.

Potato Processing

Potato Processing turnover totalled EUR 26.6 (26.9) million. The profit trend was favourable, and only sales of frozen potato products to retailers caused problems.

Raisio has some 35 per cent share of the Finnish potato processing market. In 2001, the production plant in Vihanti processed some 65 million kilos of potato, 60 per cent of all potato processing by the food industry in Finland. The most important export partners are the UK and Sweden, although exports still represent only a small proportion of total production.

Products that are more highly processed and easier to use have been developed alongside conventional French fries and potato flakes for both catering and retail markets - for instance, the Mestari ready foods introduced last year. Potato crisp production was given up in November.

At the beginning of 2001, Raisio Nutrition, the municipality of Vihanti and the European Social Fund started a project to encourage contract farming of potatoes with the aim of maintaining and improving the competitiveness of food produced in northern Finland on the international market, while also

taking national quality and environmental issues into account.

Changes on the market will continue to tighten the competition in 2002. The market for potato products and ready food components will grow materially, however, particularly the home meal replacement market. Despite improved profitability, financial performance will not exceed the 2001 figure, since this includes one-off profits from the sale of brands.

Higher turnover and profit at Animal Feeds

Raisio Nutrition's Animal Feeds business area comprises Raisio Feed Ltd, which makes farm and fish feeds, the Oil Milling business, which makes vegetable oils and protein meal and Monäs Feed Oy Ab, which produces feeds for fur farming.

The turnover of the Animal Feeds business area grew some 16 per cent and was EUR 161.4 (139.0) million, thanks to increased animal feed deliveries both in Finland and for export. Operating profit came to EUR 8.6 (3.8) million. Financial performance was enhanced by higher production volumes and increased efficiency in all sub-areas. Farm and fish feeds did well in Finland, and exports to Russia developed particularly well, thanks to Russia's improved economic situation and wider use of industrial feeds.

Profitability improved in the Oil Milling business compared with the previous year, thanks to higher processing volumes and a better pressing margin. The main reason for the increase in the pressing margin was that demand shifted to vegetable-based protein raw materials. So far Animal Feeds has been able to ensure the availability of conventional non-genetically modified soy, but the situation is expected to become more difficult in the future, and the cost of using conventional soy will probably rise.

The fur industry is in an upward cycle, which reflected favourably on Monäs Feed operations and performance.

Finland's total market for farm feeds grew somewhat on the previous year. There was a distinct increase in feeds for meat-producing poultry, while production volumes of layer hen, pig and cattle feeds and domestic fish feeds remained at their 2000 levels. Cattle feeds account for over half of the total volume of industrial feeds. Raisio's Animal Feeds retained its market share in 2001.

Animal Feeds introduced an innovative new feeding programme called Creep Feeding for piglets in 2001.



The first BSE case was found in Finland in December. This multiplied the number of slaughtered cattle having to be inspected, causing additional costs in the food chain. Beef consumption was not significantly affected, however.

Brisk structural changes continue in livestock production. The number of livestock farms has gone down to some 30,000, but total production has increased slightly. Investments made on farms ensure competitiveness and profitability. Such a thorough structural shift calls for continuous development of products, feeding solutions and working procedures in animal feeds production.

Total output of industrial feeds is expected to reach at least the 2001 level in 2002, and exports to Russia are still expected to develop favourably. The volume and quality of domestic crops will continue to affect animal feeds production in spite of the fact that industrial feeds have established themselves in feeding solutions as livestock farms have grown in size, thus reducing the impact of crops on the use of feeds.

Finland's low degree of protein self-sufficiency relies on rape seed, which makes the country dependent on imports of protein raw materials. World market prices for protein raw materials affect the pricing of feed mixes and profitability of operations significantly, but are difficult to predict. In 2002, the greatest uncertainty factors will thus be related to the prices and availability of soy and fish meal. Performance 2002 prospects for the Animal Feeds business area are, however, at the 2001 level.

Raisio Malt performance improved

Turnover by Raisio Malt totalled EUR 30.7 (28.3) million. Operating profit, at EUR 2.4 (0.4) million, was well above the previous year's figure in spite of the fact that delivery volumes were unchanged. The improvement was due to balanced demand and supply, as well as to higher market prices for malts than in 2000. Apart from this, the proportion of imported raw material was significantly smaller than the previous year.

Domestic sales accounted for 21 per cent of total sales of malts. The biggest export partners were Russia and the Baltic States. Malts were also exported to the Ukraine, Belarus and Norway.

The high protein content of domestic malting barley and its poor handling properties in long

delivery chains caused problems with quality.

Raisio Malt's market prospects for 2002 look promising. In Finland, consumption of malts will continue at the previous years' level. The proportion accounted for by imported malts is decreasing, and Raisio's domestic malt deliveries will rise compared with 2001.

Beer consumption in Russia is expected to continue to rise more than 10 per cent in 2002. The increase in the country's malting plant capacity is still not going to meet the higher demand, and the need for imports may exceed 600 million kilos, some 40 per cent of the total demand. Tighter competition may, however, cause pressure on prices. In Estonia, the consumption of beer has gone down slightly, but in Latvia and Lithuania total demand is expected to rise some 3-5 per cent a year.

The quality of the 2001 malting barley crop was problematic because of its high protein content. This will increase the need for imported malting barley and thus weaken the Raisio Malt performance prospects compared with 2001.

Raisio Grain Starch expands product range

Raisio Grain Starch produces wheat starch for Raisio Chemicals, to be processed further for use by the paper industry. Its by-products are wheat gluten and syrup for food production and animal feed fractions used as raw material for feeds.

Raisio Grain Starch turnover came to EUR 19.7 (18.8) million. Exports accounted for 23 per cent of turnover. The operating result was at the previous year's level and showed a loss, mainly because of the poor price ratio between products and raw materials, low capacity utilization rates and energy costs, which have risen in the past two years.

In 2001, Raisio Grain Starch processed 79 million kilos of wheat. The starch plant was not used to capacity, primarily because of problems in selling wheat starch.

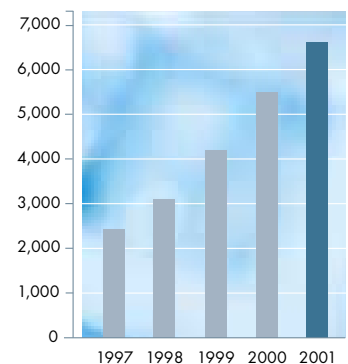
In order to improve its profitability, Raisio Grain Starch has invested in raising the processing level of by-products. Brewing syrup is marketed mainly to breweries in Finland and the Baltic States. Sales have increased at a steady pace, and growth is expected to continue in 2002. A new product,



The market outlook for Raisio Malt is good, as beer consumption is expected to increase on the most important export markets in Russia and the Baltic States.

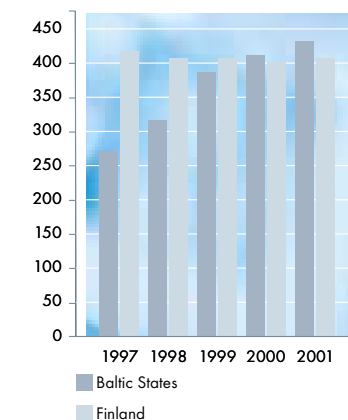
Beer consumption in Russia

million litres



Beer consumption in the Baltic States and in Finland

million litres



beta-amylase enzyme, was introduced, and actual production and marketing will begin in early 2002. These measures are expected to improve profitability in 2002, although financial performance is likely to continue to be slightly in the red.

Research & development as a key area

R&D is one of Raisio Nutrition's key areas. The business sector's R&D expenditure was approximately EUR 4 (3.5) million. In 2001, the Food business area's nutritional research focused on developing highly processed products and investigating health-promoting properties in carbohydrate and fat based foods. Grain products rich in fibre were introduced: a series of bran products, pastas enriched with wheat germs and other rich-fibre pastas. Additions to the instant baking product family, lactose-free light spread and low-lactose cream-cheese type products are good examples of customer-oriented product development. Soy-based Beneviva products were introduced at the beginning of 2002. Sales of basmati and jasmine rice to Finnish retailers will begin later in the year.

R&D is one of Raisio Nutrition's key areas in terms of customer needs. The picture shows sensory evaluation expert Reija Kaina from the Food business area.



In the 'Finnish Food Product of the Year' contest, the Elovena Hetki instant porridge ingredients were awarded first prize in the series for grain-based retail products, and rich-fibre pasta family first prize in the general series for catering business products. Apart from the many novelty products introduced in Finland, Food business area has a number of ongoing product development processes that implement the latest nutritional recommendations.

The emphasis in Animal Feeds R&D continues to be on projects looking to intensify the utilization of nutrients, particularly proteins, and to improve the nutritional quality of livestock products. In 2001, Animal Feeds introduced a number of new product and feeding solutions and related feeding

manuals. The most important new concepts were concentrate feeding based on silage digestibility (D value) for cattle, and a completely new complementary Baby Starter feed and a related Creep Feeding programme for piglet production. New feed mixes were made for poultry. The fish feed sector started a research project jointly with the fisheries industry in order to develop whitefish farming.

Investments mainly in the Food and Animal Feeds business

Raisio Nutrition's investments were approximately EUR 11 (12.3) million. The most important investment made in the Food business area was renovation of the Raisio unit rice polishing and packaging lines and construction of a fibre bran packaging line in the Nokia unit. Potato processing investment focused on improving the efficiency of the flake and package lines at the special potato product factory.

At the beginning of 2001, the EU Commission decided that fish meal could only be used as raw material in plants that are completely isolated from units producing feed mixes for cattle. The decision called for major investments, which were carried out in spring. Similar isolation measures were taken in transport, which also increased costs.

Target is to increase turnover and profitability

It is Raisio Nutrition's goal to be the market leader in its chosen market segments. In Finland, it has already achieved this goal in certain sub-segments. The potential for reinforcing Raisio Nutrition's current status in the Baltic Rim is being investigated. In some narrow special product segments, Raisio Nutrition aims to become a major international operator. The targets are turnover growth and a substantial rise in profitability.



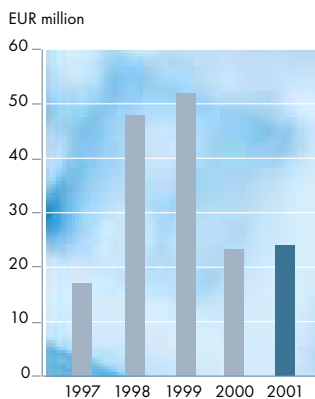
Raisio Nutrition processes grain and oil plants into food, raw materials for food and animal feeds. Extensive use makes efficient purchasing and contract farming possible.

PRODUCTS	MARKET STATUS	PRODUCTION PLANTS
FOOD BUSINESS AREA 58% of the Raisio Nutrition turnover		
Milling		
- flakes, flour, pasta, rice	- market share 70% in flakes, 46% in flour, 23% in pastas and 25% in rice in the Finnish retail sector	- production plants in Raisio (grain, rice, pasta) and in Nokia, Finland (grain, flakes)
Margarine		
- margarines, cream cheeses, edible oils	Raisio Margariini - market share 37% in Finland Raisio Polska Foods - market share 9% in Poland Carlshamn Mejeri - market share 24% in margarines and 12% in ice-cream in Sweden	- production plants in Finland, Poland and Sweden
Potato processing		
- frozen and dried potato products, ready food components and special potato products	- 35% of the processed potato products sold in Finland	- production plant Vihanti, Finland
ANIMAL FEEDS 33% of the Raisio Nutrition turnover		
- feeds for cattle, pigs, poultry, fur animals, fish	- market share 36% in farm feeds and 48% in fish feeds in Finland	- feed factories in Raisio, Anjalankoski, Oulu and Uusikaarlepyy in Finland - oil milling plant in Raisio
RAISIO MALT 7% of Raisio Nutrition turnover		
- malts for beer and whisky	- market share 40% in Finland	- malting plant in Raisio
RAISIO GRAIN STARCH 3 % of Raisio Nutrition turnover		
- wheat starch, wheat gluten, wheat syrup		- production plant in Raisio

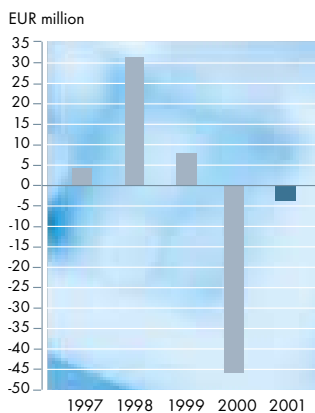


Benecol ingredient – the core of Raisio Life Sciences

Turnover



Operating profit/loss



In accordance with the new Raisio Group strategy, a business sector with the name Raisio Life Sciences will be built around the Benecol business area. Its operating idea is to develop, produce and market safe, functional food and animal feed ingredients. It also aims to develop, produce and market analytic systems, diagnostic equipment and reagents for monitoring food quality and safety.

Turnover increase still moderate

Turnover in the Benecol business remained at the previous year's level in 2001 and came to EUR 23.8 (23.1) million. Turnover growth was slowed down by regulatory permit processes and the unexpectedly long time needed for the product development of functional foods. Turnover growth was further reduced by the planned and controlled adjustments made in product pricing. In volume terms, however, stanol and sterol ester deliveries increased by 15 per cent on 2000.

Performance improved by year end

The Benecol business area could not meet with the expectations and plans made for 2001, and a positive profit level was not yet reached. In spite of the intensification and adjustment measures taken in 2001, the operating result was still EUR -3.5 (-45.6) million in the red. Compared with the 2000 figures, the performance improved distinctly, however, and in the last quarter reached break-even level.

Benecol product range expands

In the year under review, a number of products were added to the Benecol range. At the beginning of the year, Valio introduced yoghurts containing stanol ester, and at the end of the year, Atria introduced ready-made foods. Raisio's partner McNeil introduced Benecol snack bars on the British and Belgian markets and Benecol milk on the British and Irish markets. Flora Danica in the Argentine introduced a spread containing stanol ester on the local market. At the end of 2000, Raisio's partner Mastellone Hnos started selling a

cholesterol-reducing milk drink in the Argentine. Raisio also introduced Benecol margarine on the Polish market.

In April, Raisio Benecol and Valio reached agreement on international marketing cooperation concerning functional foods. The target customers of these companies overlap a lot. Their combined efforts will produce a unique range of functional ingredients.

A lot of inputs were made during the year in expanding the customer base and negotiations took place with dozens of food companies. The first results of these negotiations are expected to be seen during the first six months of 2002.

Scientifically confirmed cholesterol-reducing effect

The stanol ester in Benecol products is by far the most researched food ingredient developed to reduce cholesterol. More than 30 clinical studies have been published on the functionality of Benecol products. Three doctoral dissertations* were published in 2001 showing the effectiveness and safety of Benecol products.

In May, the US National Institute of Health issued new instructions for reducing cholesterol levels and heart diseases. The Institute's National Cholesterol Education Program included for the first time the use of certain food ingredients in its recommendations for reducing cholesterol levels. Stanol ester was one of the ingredients recommended.

On the initiative of a competitor, the European Patent Office has questioned Benecol's stanol ester patent in an oral plea process. The Raisio Group has appealed this opinion to the Board of Appeals, and the patent is still valid.

Promising market outlook

More than 400 million portions of Benecol have been eaten all over the world since the first Benecol product was launched to the market in 1995. Finland is a forerunner in using functional products to reduce cholesterol levels. Thus the range of Benecol products is the most extensive, and the market share held by them is the biggest in Finland. On the Swedish market, sales trends have been slow to develop so far, and marketing inputs in Denmark have been discontinued for the moment, since Denmark does not allow health claims concerning food. The health awareness of consumers is expected to increase globally in future, however, which will also improve the market position of stanol ester.

At the beginning of February 2002 the Raisio Group and McNeil Nutritionals agreed on new marketing responsibility areas for Benecol products and stanol ester. Apart from the current geographical areas, the Raisio Group can market stanol ester to food companies in Germany, Italy, Spain, Portugal, Switzerland, Austria and Greece. Raisio also gained the right to sell Benecol foods on the above market, though McNeil will keep its sole right to certain Benecol branded speciality products. Furthermore, this agreement facilitates both parties to licence the ingredient and brand to other third parties in their respective territories.

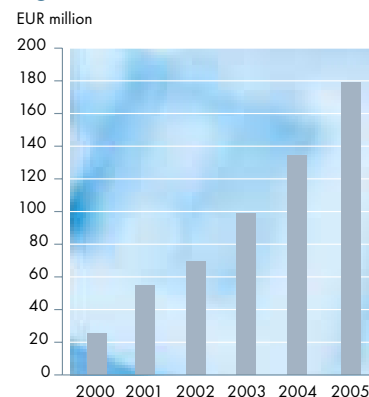
Target for 2002: increased turnover and positive operating profit

In accordance with the new strategy, the core goal of Raisio Life Sciences is to expand operations into food and animal feeds diagnostics and to develop new functional food ingredients to help control heart conditions, diabetes and allergies. The financial goals for 2002 are to increase turnover and to show an operating profit that is clearly in the black.



Research shows that stanol ester, the active ingredient in Benecol products, also works in low-fat products. The Benecol range expanded in 2001; for instance, Benecol milk was introduced on the UK and Irish markets.

Total market of sterol-based ingredients (estimate)



Products	Market status (% of cholesterol lowering sterol-based ester market)		Production plants
Benecol ingredient (stanol ester)	Europe 33%	USA 50%	Esterization plants in Raisio (Finland) and Charleston (USA)

* Hallikainen, Maarit (2001) Role of plant stanol ester- and sterol ester-enriched margarines in the treatment of hypercholesterolemia. University of Kuopio, Finland, ISBN 951-781-851-3, ISSN 1235-0303.

Plat, Jogchum (2001) Plant stanol esters: Effects on cardiovascular risk markers and cholesterol metabolism. University of Maastricht, Netherlands, ISBN 90-9015336-5.

Tammi, Anne (2001) Dietary and serum plant sterols in childhood. University of Turku, Finland, ISBN 951-29-2066-2, ISSN 0355-9483.



FINANCIAL STATEMENTS

Report of the Board of Directors

2001 was a year of great change for the Raisio Group. Different views concerning leading and developing the Group led to the resignation of Chief Executive Officer Lasse Kurkilahti. The new CEO, Rabbe Klemets, took over on April 23, 2001. His main challenges were to define Group strategy, stabilize operations and improve the profitability.

The new management started extensive work on planning a Group strategy in early summer 2001. Apart from the management, a working group appointed by the Board also contributed to this work. The new strategy was approved at the beginning of October. Its key goals are to focus on Raisio's core business areas, strong growth and substantial improvements in profitability by the end of 2005.

In order to improve Group profitability, extensive rationalization and savings programmes were put in place in the second half of the year, particularly in the Food and Benecol business. As a result, changes took place in the employment relationships of some 60 people: fixed-term employment relationships were not made permanent, a number of people were transferred to other duties in the Group, and some 30 contracts of employment were terminated.

The Group's profit trend took a favourable turn in the second half of the year. The losses incurred in the first half were covered, and the result before extraordinary items and taxes turned positive in the third quarter. The entire year's net profit after taxes and minority interest was EUR 6.6 million in the black. The good profit trend in the latter part of the year and the tight investment policy significantly reinforced the Group's financial position. The equity ratio improved from 34.7 per cent to 38.1 per cent during the financial period. Consolidated cash flow after investments was positive.

Turnover

Consolidated turnover rose 2.9 per cent, to EUR 822.9 (800.0) million. Euro-denominated growth was partly reduced by exchange rate fluctuation in foreign business, by a total of EUR 8.2 million

altogether. If the impact of exchange rate fluctuation is eliminated, turnover increased 3.9 per cent.

Turnover from the Group's international operations was EUR 433.4 (398.9) million, representing 52.7 (49.9) per cent of total turnover. Exports from Finland totalled EUR 135.1 (130.9) million. In value terms, the Group's main export partners were Russia, Sweden and the UK. The biggest export items were paper chemicals, malts, edible fats and animal feeds.

Turnover developed favourably in the Group's biggest business sector, Raisio Chemicals, in spite of the fact that low production volumes cut growth in the paper industry. Furthermore, production by the AKD wax plant in France was interrupted for the last third of 2001 because of an explosion at a nearby fertilizer plant. The sector's turnover rose 5.1 per cent, to EUR 364.2 (346.5) million. Of all geographical areas, growth was brisker in Asia (24 per cent), and of all product groups, in the latex business (25 per cent).

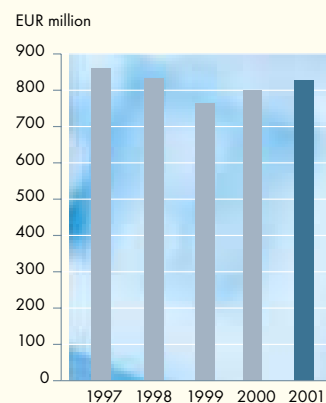
The Group's Food Division shrank, however, with a turnover of EUR 264.5 (284.0) million. The decline was most notable in the Finnish and Swedish margarine units and in the Milling Subdivision. Turnover continued to grow in the margarine unit in Poland. Exports by the Food Division continued to shrink, totalling EUR 22.4 (33.1) million.

Turnover for the Benecol business was EUR 23.8 (23.1) million. Delivery volumes increased by almost 15 per cent over the financial year, however. Growth continued to be restricted by regulatory obstacles in many countries.

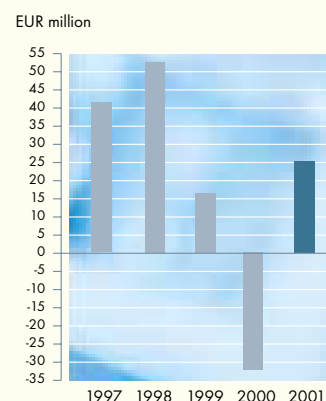
The most significant growth was achieved by Animal Feeds Division, where turnover rose 16 per cent, to EUR 161.4 (139.0) million. Animal feeds deliveries increased both in Finland and abroad.

Turnover for Raisio Malt rose to EUR 30.7 (28.3) million, mostly thanks to rises in the market price of malts.

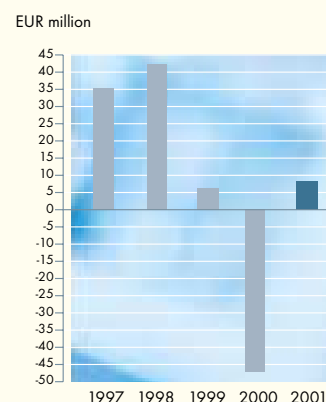
Turnover

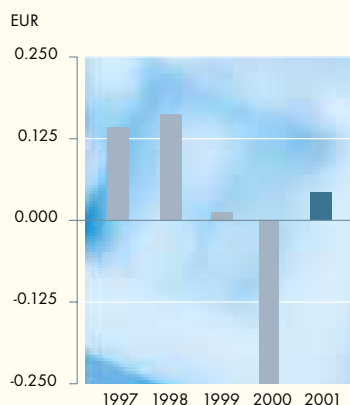
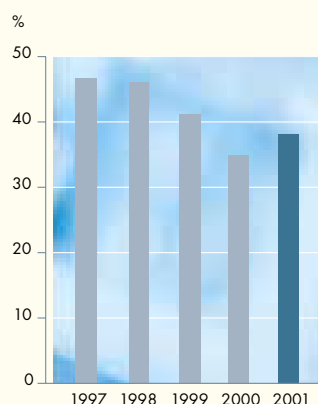
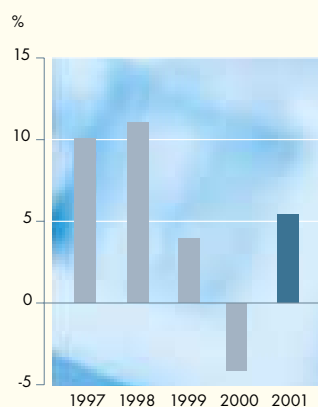


Operating result



Result before extraordinary items and taxes



Earnings per share**Equity ratio****Return on investment****Operating profit**

The consolidated operating result was EUR 25.0 million in the black, compared with a loss of EUR -32.2 million in 2000. The 2001 operating profit included EUR 5.2 million in one-off expense items arising from reorganization of operations and personnel reductions. EUR 5.7 million in one-off sales profit was also included. Operating profit before these one-off expense and income items came to EUR 24.5 million.

The operating result for the comparison year 2000 included EUR 41.3 million in one-off expense items related to refocusing of the Benecol sterol strategy and adjustment of the Milling Subdivision's production capacity. Operating profit for 2000 was thus EUR 9.1 million before these one-off items. Comparable profitability of operations thus improved by EUR 15.4 million, reaching EUR 24.5 million in 2001.

Raisio Chemicals operating profit rose to EUR 17.3 (11.9) million in spite of the difficult market situation. Profitability was boosted by price reductions in raw materials based on petrochemicals, while the poor sales of coating binders reduced operating profit. In Asia, business continued to be successful and profitability improved. EUR 4.3 million in sales profit was included in the operating profit, as Raisio Chemicals sold its minority share (49 per cent) in Valmet-Raisio Oy to Metso Corporation at the end of the year.

Food Division operating profit rose to EUR 4.4 million from a loss of EUR -0.3 million in 2000. Operational profitability continued to be at the 2000 level, however, as the 2001 operating result was boosted by one-off income items from the sale of the Tuoppi and Vitanova brands. The operating result for the comparison year 2000 was correspondingly weakened by the one-off expenses arising from the adaptation of milling production capacity. Food Division profitability continued to be hampered by shrinking export delivery volumes and less demand for edible fats on the Finnish and Swedish markets. The Swedish margarine unit suffered most and showed an operating loss. The margarine unit in Poland continued to show a favourable trend throughout the year, and the company recorded its best result so far.

Benecol Division operating profit was EUR -3.5 (-45.6) million in the red in spite of rationalization and adaptation measures during the year. The increase in delivery volumes was not yet sufficient to bring the figure into the black for the entire year, although an improving trend towards the end of the year helped the division to achieve a break-even level in the last quarter. If the operating result is looked at before the 2000 one-off expense items, however, the loss for the entire year was halved in comparison with 2000.

Animal Feeds Division profitability was substantially better than in the previous year. The operating profit reached EUR 8.6 (3.8) million. Performance was improved by growth in animal feed production volumes accounted for by increases in domestic deliveries and growing exports to Russia. Operations were also intensified in all sub-sectors. Profitability in the oil milling business under Animal Feeds Division was further improved by an increase in the oil pressing margin on the world market. Demand is increasingly shifting towards vegetable-based protein raw materials.

Raisio Malt showed an operating profit of EUR 2.4 million, up from EUR 0.4 million in 2000. Profitability was improved by increases in the world market price of malts and balance in demand and supply, and by reductions in use of foreign raw material compared with 2000.

The operating result for other Group business showed a loss of EUR -4.2 (-2.4) million. The increase in the loss was almost solely caused by one-off expense items related to reorganization of business following the new Group strategy and changes in corporate management in spring 2001.

Result and dividend proposal

Consolidated profitability improved significantly in 2001. Profit before taxes and minority interest rose to EUR 8.3 million, against EUR -46.5 million a year before. Correspondingly, consolidated net profit after taxes and minority interest improved and stood at EUR 6.6 (-40.8) million.

As a result of this improved profitability, earnings per share rose to EUR 0.04, compared with EUR -0.25 in 2000. The Board proposes a dividend of EUR 0.017 (0.017) per share for 2001.

Finance

The Group's financial status was reinforced in 2001. Cash flow from business operations was EUR 36.4 (15.9) million. EUR -14.8 (-38.2) million was tied to investments, which left cash flow after investment expenses in the black by EUR 21.6 (-22.3) million.

As a result of the better profitability and tight investment policy, the trend in consolidated net interest-bearing liabilities took a downward turn towards the end of the financial period. On the closing date, net interest-bearing liabilities came to EUR 232.8 million, as against EUR 250.7 million in 2000.

The syndicated loan agreement made in 1998 by the parent company continued to be the main tool in planning for and managing liquidity. 41.6 per cent of the total syndicated loan of USD 190 million had been drawn. No significant new loan arrangements were needed in 2001.

Net financial expenses came to EUR 16.7 (14.3) million in the financial period. In relation to turnover, financial expenses accounted for 2.0 per cent, against 1.8 per cent in 2000. The main reason for the increase in financial expenses was mostly hedging against the currency risk represented by countries with unstable economies.

The equity ratio rose to 38.1 per cent (34.7%). The ratio was boosted by better profitability and a lower balance sheet total as a result of sales of certain assets items and smaller investments. Return on investment rose to 5.5 per cent (-4.2%) and return on equity was 1.8 per cent (-14.9%). Correspondingly, equity per share rose to EUR 1.45, as against EUR 1.42 in 2000.

Investment

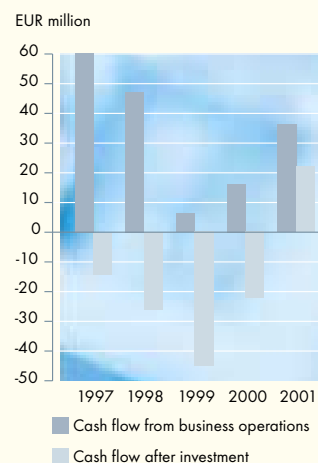
Gross consolidated investment for 2001 came to EUR 29.0 (49.5) million, 3.5 (6.2) per cent of turnover. Raisio Chemicals accounted for more than half of this, i.e. EUR 16.5 (30.5) million. The biggest investment items were the capacity increase on the Raisio France production line in Toulouse in summer 2001 and the completion of Latexia's third reactor line in Kaipiainen, Finland.

Gross investment in the Food Division totalled EUR 6.5 (9.8) million, comprising primarily the rebuilding of the Raisio unit rice polishing and packaging lines and construction of a fibre bran packaging line in the Nokia unit. Gross investment by Animal Feeds Division came to EUR 4.1 (2.2) million; most of this was used to build a production unit making feed mixes for cattle isolated from the production lines using fishmeal, as the EU Commission requires. Gross investments worth EUR 0.6 (5.7) million were made in the Benecol business and EUR 0.4 (0.3) million in Raisio Malt.

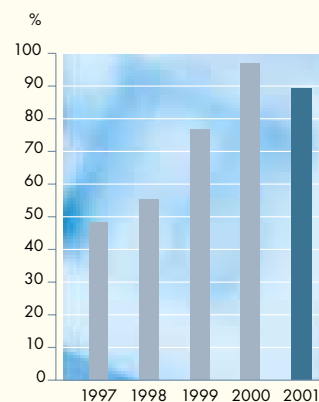
Changes in group structure

Towards the end of the year, Raisio Chemicals sold its minority share (49%) in Valmet-Raisio Oy to Metso Corporation for EUR 10 million. Raisio and Metso agreed to continue their cooperation in order to develop solutions serving the paper industry. At the end of the year, the company purchased a minority share (10%) in its subsidiary Oy Kationi Ab, which thus became a fully owned Raisio Chemicals Ltd subsidiary. Raisio Chemicals acquired the rest (49%) of the shares of its subsidiary Raisio Chemicals de Mexico, S.A. de C.V. The Group's Food Division sold its potato crisp production in Pyhäntä, Finland, in November. The Raisio Group plc subsidiary Foodie Oy was merged into its parent company on August 31, 2001. Foodie's operations had already been sold in 1999 and the company did not have any operations during 2001.

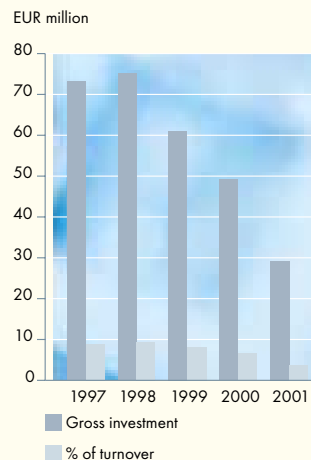
Cash flow



Gearing

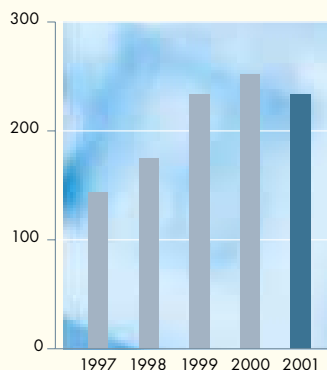


Investment



Net debt

EUR million

**Research and development**

The Group's R&D expenditure totalled EUR 18.3 (18.4) million in 2001, 2.2 per cent (2.3%) of turnover. The Chemicals Division's research expenditure was two thirds of the total. The Benecol Division's research expenditure was EUR 2.3 (3.0) million. The Chemicals Division also wrote up some technology income, mainly from research, analysis and testing services.

Share information

A total of 66,877,141 Raisio Group plc free shares were traded on Helsinki Exchanges in 2001. The value of trading was EUR 99.1 million and the average price EUR 1.48. The closing price was EUR 0.93.

A total of 346,248 restricted shares were traded, for altogether EUR 709,629 and at an average price of EUR 2.05. The closing price was EUR 1.44.

On December 31, 2001 the company had a total of 47,824 registered shareholders. 13.2 per cent of the stock was owned by shareholders outside Finland.

Governance, management and personnel

The Board of Directors elected Arimo Uusitalo Chairman at its first meeting of the year. In November, the Supervisory Board elected Antti Haavisto to the Board as of January 1, 2002. Pertti Vuola resigned on the basis of the age limit laid down in the Articles of Association. The other members of the Board whose terms came to an end were re-elected: Jaakko Ihamuotila, Kaarlo Pettilä and Rabbe Klemets. Urpo Pirilä, who was appointed head of Raisio Nutrition in October, was elected deputy member.

Chief Executive Officer Lasse Kurkilahti resigned on April 23, 2001 and Rabbe Klemets was elected to replace him. Rabbe Klemets was previously head of the Benecol Division and deputy for the Chief Executive. The heads of Human Resources and

Communications resigned at the same time. Jukka Lavi was appointed head of the Benecol Division. He was previously head of sales and marketing in the Benecol Division.

Jukka Kaitaranta was appointed head of the new Business Development unit operating under the Chief Executive.

In June, Mikko Korttila was appointed head of Human Resources and Legal Affairs, and Taru Narvanmaa was appointed head of Communications and Investor Relations.

An average of 2,684 (2,775) people were employed by the Raisio Group in 2001; 58 (60) per cent of them worked in Finland.

Vision and strategy

At the beginning of October, the Raisio Group Board of Directors and Supervisory Board approved a new corporate vision, strategic outlines and goals. According to the corporate vision, the Raisio Group will by 2005 transform from a food manufacturing company to become a leading international life science oriented chemicals company.

The Group's goal is to double its turnover to EUR 1.6 billion and to attain a return on investment exceeding 12 per cent. Keeping the equity ratio well over 30 per cent is another goal.

Adoption of the new vision and strategy changed the Group structure. The new organization is based on three business sectors: Raisio Chemicals, Raisio Nutrition and Raisio Life Sciences. The service functions supporting the business operations are Accounting and Finance, Human Resources and Legal Affairs, Communications and Investor Relations, Purchasing and Logistics, and Business Development.

The new organization will advance achievement of the Group's strategic goals; Raisio Chemicals will contribute growth and internationalization, Raisio Nutrition expertise related to the grain chain and vegetable fats, as well as positive cash-flow, Raisio Life Sciences renewal and innovative ideas.

Another goal is to intensify utilization of synergy benefits within the business sectors and at Group level. Raisio seeks to be one of the three leading companies in selected market areas in all three business sectors.

When a new vision and strategy were approved, a discussion on values was launched in order to identify and crystallize the Group's core values. A personnel survey was carried out to find out which values and goals the personnel felt were important and how well they had been carried through. The value process is under way.

Events after the end of the financial year

On January 11, 2002 Tudor Capital (U.K.) L.P. announced that the holding owned by its Group companies and funds in Raisio Group plc (free and restricted shares) fell below five per cent on January 8, 2002.

In February 2002 the Raisio Group and McNeil Nutritionals agreed on new marketing responsibility areas for Benecol products and stanol ester. Apart from the current geographical areas, the Raisio Group can market stanol ester to food companies in Germany, Italy, Spain, Portugal, Switzerland, Austria and Greece. Raisio also gained the right to sell Benecol foods on the above market, though McNeil will keep its sole right to certain Benecol branded speciality products.

Future outlook

Raisio Chemicals plans primarily to reinforce its position in paper industry binders and specialty chemicals, aiming to achieve leading status as a supplier of functional paper chemicals. To achieve this target, both organic growth and acquisitions are needed. Rationalization of operations continues, too. The cost-saving measures concerning European and American operations will continue to improve profitability.

Raisio Nutrition aims to improve profitability, particularly in the Food business area. Inputs will be made in marketing healthy, vegetable-based products. As a new business sector, Raisio Nutrition can also better utilize internal Group synergy. Profits in the Milling business are expected to improve, mainly as a result of higher capacity utilization rates, and the outlook for the Margarine business is more favourable than before as a result of the rationalization measures taken. The Animal Feeds business area is likely to show approximately the same profit level as in 2001. Raisio Malt is expected to fall back slightly because of its greater need to import malting barley. The role of the Potato processing business as part of Raisio Nutrition is being studied.

In accordance with the new strategy, Raisio Life Sciences is analysing opportunities to expand operations into food and animal feeds diagnostics and to develop new functional food ingredients for controlling heart conditions, diabetes and allergies. Benecol ingredient strategy is supported by the renewed agreement with McNeil Nutritionals at the beginning of February 2002 on new marketing responsibility areas for Benecol products and stanol ester. The financial goal of the Benecol business in 2002 is to boost turnover and to show an operating profit that is clearly in the black.

The measures taken in 2001 to improve efficiency and to reinforce the financial situation created a good foundation for corporate growth and profitability in 2002. We will continue to build our profit-making culture and expect the 2002 profit trend to be favourable. Even the first quarter, being the weakest of the four in the Raisio Group, is expected to reflect a much better performance than in the comparison period last year. Strategy implementation proceeds on schedule.

INCOME STATEMENT**(EUR 1,000)**

	GROUP		PARENT COMPANY	
	1.1.-31.12.2001	1.1.-31.12.2000	1.1.-31.12.2001	1.1.-31.12.2000
TURNOVER (1)	822,860	799,964	163,206	163,108
Increase(+)/decrease(-) in stock of finished products and production in progress	-3,721	-668	-2,534	-3,431
Other income from business operations	11,635	8,170	5,610	2,178
Materials and services (2)	-498,857	-504,783	-94,344	-93,992
Personnel expenses (3, 4)	-105,635	-101,731	-29,162	-24,388
Depreciation and write-downs (7)	-47,462	-50,916	-11,034	-11,599
Other expenses from business operations	-155,943	-182,259	-23,954	-29,062
Share of associated companies' results	2,073	37		
OPERATING RESULT (8)	24,950	-32,187	7,789	2,814
Share of associated companies' results	0	78		
Financial income and expenses (9)	-16,654	-14,434	-1,252	+3,017
RESULT BEFORE EXTRAORDINARY ITEMS	8,297	-46,542	6,537	5,831
Extraordinary items (10)	0	0	2,110	-9,130
RESULT BEFORE APPROPRIATIONS AND TAXES	8,297	-46,542	8,647	-3,299
Appropriations (11)			+2,745	+5,920
Income taxes (12)	-3,585	4,499	-2,741	-896
Minority interest	1,918	1,267		
RESULT FOR THE YEAR	6,630	-40,776	8,651	1,725

The figures in brackets refer to the notes to the accounts.

BALANCE SHEET

(EUR 1,000)

	GROUP		PARENT COMPANY	
	31.12.2001	31.12.2000	31.12.2001	31.12.2000
ASSETS				
NON-CURRENT ASSETS				
Intangible assets (13, 14)	29,086	33,094	8,629	9,832
Goodwill (13)	46,985	51,131		
Tangible assets (13, 14)	258,371	273,486	63,245	68,885
Holdings in Group companies (15)			93,716	83,772
Holdings in associated companies (15)	4,245	7,158		
Other investments (15)	10,973	11,301	186,588	204,456
	349,661	376,170	352,177	366,945
CURRENT ASSETS				
Inventories (17)	143,779	141,796	35,551	32,221
Non-current receivables (18)	11,001	10,439		
Deferred tax assets (21)	14,763	17,610		
Current receivables (18)	128,340	146,391	52,960	61,449
Securities under financial assets	30,568	44,301	21,287	40,137
Cash in hand and at banks	10,398	13,603	32,770	37,637
	338,850	374,140	142,568	171,445
TOTAL ASSETS	688,510	750,310	494,745	538,390
LIABILITIES AND SHAREHOLDERS' EQUITY				
SHAREHOLDERS' EQUITY (19)				
Share capital	27,776	27,776	27,776	27,776
Premium fund	2,908	2,908	2,908	2,908
Reserve fund	88,689	88,667	88,587	88,587
Other reserves				
Reserves provided for in the Company Articles	113	92		
Retained earnings	113,615	155,971	61,939	62,991
Result for the year	6,630	-40,776	8,651	1,725
	239,730	234,638	189,861	183,987
MINORITY INTEREST	22,093	25,041		
APPROPRIATIONS (20)			32,916	35,661
LIABILITIES				
Deferred tax liability (21)	25,727	33,536		
Non-current liabilities (22)	128,991	148,507	99,194	130,867
Current liabilities (22)	271,969	308,588	172,774	187,875
	426,688	490,631	271,968	318,742
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	688,510	750,310	494,745	538,390

The figures in brackets refer to the notes to the accounts.

SOURCE AND APPLICATION OF FUNDS

(EUR 1,000)

	GROUP		PARENT COMPANY	
	2001	2000	2001	2000
CASH FLOW FROM BUSINESS OPERATIONS				
Operating result	24,950	-32,187	7,789	2,814
Operating result adjustments:				
Planned depreciation	47,462	50,916	11,034	11,599
Other income and expenses, not involving disbursements	-985	32,243	302	-5
Other adjustments	-5,730	-289	-3,810	330
Cash flow before change in operating capital	65,697	50,683	15,315	14,738
Change in operating capital				
Increase(-)/decrease(+) in current receivables	+11,784	-18,731	+3,899	-11,779
Increase(-)/decrease(+) in inventories	-1,750	-8,650	-3,330	+5,190
Increase(+)/decrease(-) in current interest-free liabilities	-19,008	+14,207	-3,700	+4,910
	-8,974	-13,174	-3,131	-1,679
Cash flow from operations before financial items and taxes	56,723	37,509	12,184	13,059
Interest paid and payments on financial operating expenses	-23,365	-23,013	-19,117	-20,310
Dividends received on operations	547	1,589	542	1,375
Interest and other financial income from operations	5,690	6,631	18,095	17,401
Direct taxes paid	-3,180	-6,768	1,726	-3,281
Cash flow before extraordinary items	36,415	15,948	13,430	8,244
Cash flow arising from extraordinary operating items (net)	0	0	0	0
CASH FLOW FROM OPERATIONS	36,415	15,948	13,430	8,244
CASH FLOW FROM INVESTMENTS				
Investments in tangible and intangible assets	-29,066	-40,215	-4,464	-4,821
Income from surrender of tangible and intangible assets	3,910	3,561	827	1,745
Investments in Group company shares	-641	-3,152	-816	-4,613
Income from surrender of Group company shares	0	77	0	0
Investments in associated company shares	-17	-3,509	0	0
Income from surrender of associated company shares	10,091	5,196	0	5,196
Other investments	-51	-325	0	-266
Income from surrender of other investments	963	158	589	137
Loans granted	-2	0	-4,500	-44,791
Repayment of loan receivables	0	3	12,844	19,883
CASH FLOW FROM INVESTMENTS	-14,813	-38,206	4,480	-27,530
Cash flow after investments	21,602	-22,258	17,910	-19,286
CASH FLOW FROM FINANCIAL OPERATIONS				
Withdrawal of non-current loans	16,785	60,369	50	60,277
Repayment of non-current loans	-25,473	-46,273	-18,016	-25,254
Increase(+)/decrease(-) in current liabilities	-27,932	+35,528	-15,487	+7,217
Increase(-)/decrease(+) in non-current loan receivables	+160	-319	0	0
Group contributions received and paid			-9,130	4,642
Minority interest	0	111		
Dividend paid and other distribution of profit	-2,831	-7,453	-2,778	-5,555
CASH FLOW FROM FINANCIAL OPERATIONS	-39,291	41,963	-45,361	41,327
Change in liquid funds according to calculation	-17,689	19,705	-27,451	22,041
Unallocated items	751	600	3,732	0
Change in liquid funds	-16,938	20,305	-23,719	22,041
Liquid funds at beginning of financial year	57,904	37,599	77,775	55,734
Liquid funds at end of financial year	40,966	57,904	54,056	77,775

ACCOUNTING PRINCIPLES

The Raisio Group consolidated financial statements have been drawn up in compliance with the Finnish Accounting and Companies Acts. The accounts have been drawn up in euros.

Consolidation

The consolidated financial statements of the Raisio Group include the parent company Raisio Group plc and those companies in which the parent company held over 50% of the voting rights directly or indirectly on December 31, 2001. Subsidiary companies acquired during the year are included in the consolidated statements as of the date of purchase and subsidiaries sold are included up to the relevant date. More detailed information on companies and associated companies in the Group is given in the notes attached to the balance sheet.

Transactions between Group companies, unrealized margins on deliveries within the Group, mutual receivables and liabilities, and internal profit distribution have been eliminated, with the exception of insignificant transactions in fixed assets. The individual financial statements of Group companies have been adjusted to comply with the joint accounting principles before consolidation. The consolidated accounts have been drawn up using the acquisition cost method. The price paid for some subsidiary shares in excess of their equity has been entered in the balance sheet in toto as a Group adjustment. Prices for subsidiary shares below their equity value were deducted from Group adjustments in the form of a reserve. A straight-line depreciation has been made on Group adjustments, spread over twenty years.

The minority interest in Group profit for the year and in shareholders' equity is given as a separate figure, after eliminating internal inter-company transactions and mutual receivables and liabilities.

Among the associated companies, the Group's half-ownership in Latexia S.A. has been consolidated into the financial statements as a joint enterprise. Thus, 50 per cent of all the income statement and balance sheet lines in the Latexia Group consolidated financial statements has been consolidated into the present statements. A proportion of internal transactions equivalent to the ownership share has been eliminated.

The other associated companies in which the Group has a 20-50% holding have been combined using the share of equity method. The Group share of the associated company's profit is calculated proportionately to its holding in the company. Dividends received from associated companies have been eliminated.

The balance sheets of foreign subsidiaries have been converted into euros at the middle rate on the date of closing. Income statements have been translated using the mean rate for the financial period. Translation differences accruing from the elimination of foreign subsidiaries' equities are entered under profit funds.

In the consolidated financial statements, the accrued difference between actual and planned depreciation, and non-mandatory reserves are entered in the consolidated balance sheet as shareholders' equity and deferred tax liability. The change in them is entered in the consolidated income statement as change in deferred tax liability and as net profit for the year.

Inventories

Inventories have been entered in the balance sheet at the variable cost of acquisition or manufacture, or at the repurchase price or probable surrender price, according to which is lower.

Fixed assets and depreciation

Fixed assets have been capitalized at the direct acquisition cost. Planned depreciation has been calculated on a straight-line basis according to the original acquisition cost and the estimate economic life of the item. The different groups of fixed assets had the following economic lives:

buildings and constructions	10-25 years
machinery and equipment	4-10 years
intangible rights	5-10 years
other long-term expenses	5-20 years.

No planned depreciation was made on land areas or revaluations.

Research and development expenditure

Research and development expenses have been entered as annual expenses in the year of occurrence.

Pension arrangements

Pension expenses have been calculated in accordance with local legislation. Statutory and voluntary pension security for the personnel of Raisio Group plc and its domestic subsidiaries is arranged through pension insurance companies. Foreign subsidiaries take care of their own pension arrangements, following local practices.

The Chief Executive of the parent company can take early retirement at the age of 60 and has to retire on reaching 62. Certain other Group managers can take early retirement at 62.

Turnover

Turnover includes sales income from commodities and exchange rate differences in sales, minus discounts and indirect taxes based on sales.

Other income from business operations

Other income from business operations includes profit from sale of assets and other regular income not related to actual sales of goods or services, such as rents.

Income taxes

The consolidated income statement includes the taxes paid during the financial year by Group companies, calculated on an accrual basis, taxes for previous financial years and computed deferred tax.

In the consolidated financial statements, deferred tax liabilities and assets are calculated on the basis of the timing differences between the closing date and the taxation date, using the tax rate for subsequent years confirmed on the closing date. The balance sheet includes deferred tax liabilities in toto and deferred tax assets at the estimated value of the probable tax benefit.

Corporate tax credit based on dividend distribution within the Group is eliminated in the consolidated financial statements by allocating it as a deduction in income taxes for the financial year.

The taxes in the parent company's income statement include direct taxes calculated on the basis of taxable profit. In the parent company accounts, the accrued appropriations are shown in full in the balance sheet, and the tax liability included in them has not been treated as a debt.

Foreign currency items

Finnish companies' foreign currency receivables and liabilities have been converted into euros at the middle rates on the date of closing. Realized exchange rate differences and gains and losses arising from the valuation of liabilities and assets have been entered in the income statement. Exchange rate gains and losses related to actual business operations are entered as adjustment items on sales and purchases, and those related to financing are included under financial income and expenses.

Source and application of funds

Cash flows during the financial year have been separated into flows related to business operations, investments and financing. In the consolidated statement on source and application of funds, the effect of exchange rate changes has been eliminated by converting the initial balance sheet at the rates on the date of closing without taking cash flows into account. Cash flow items are mostly presented on a payment basis.

NOTES TO THE ACCOUNTS

(EUR 1,000)

NOTES TO THE FINANCIAL STATEMENTS

	GROUP				PARENT COMPANY			
	2001		2000		2001		2000	
1. TURNOVER BY DIVISION								
Chemicals Division	364,185			346,523				
Food Division	264,466			284,014				
Benecol Division	23,837			23,123				
Animal Feeds Division	161,389			138,958				
Malting Division	30,691			28,299				
Others	1,430			1,051				
- Interdivisional turnover	-23,138			-22,004				
Total	822,860			799,964				
INTERNATIONAL TURNOVER								
Exports from Finland								
Chemicals Division	57,006			50,712				
Food Division	22,400			33,136				
Benecol Division	13,233			14,407				
Animal Feeds Division	18,477			12,641				
Malting Division	24,026			20,037				
Total	135,142			130,933				
Turnover for companies abroad	373,579			349,728				
Trading abroad	195			363				
- Intra-Group sales	-75,504			-82,149				
International turnover	433,412			398,875				
TURNOVER QUARTERLY *)				2001				2000
	1-3	4-6	7-9	10-12	1-3	4-6	7-9	10-12
Chemicals Division	91,021	90,879	92,479	89,806	81,844	78,083	92,682	93,914
Food Division	62,502	67,901	64,070	69,993	69,746	70,391	71,031	72,846
Benecol Division	5,836	5,192	5,630	7,179	5,527	4,764	5,357	7,475
Animal Feeds Division	34,098	40,194	44,415	42,682	31,188	32,898	37,393	37,479
Malting Division	4,039	9,634	10,740	6,278	4,059	7,436	8,130	8,674
Others	356	750	169	155	265	553	121	112
- Interdivisional turnover	-5,165	-5,316	-6,050	-6,607	-5,936	-4,867	-5,702	-5,499
Total	192,687	209,234	211,453	209,486	186,693	189,258	209,012	215,001
2. MATERIALS AND SERVICES								
Materials, supplies and goods								
Purchases during the year	500,688			481,719	99,874			91,914
Change in inventories	-5,128			20,186	-5,864			1,759
Total	495,560			501,905	94,010			93,673
External services	3,297			2,878	334			319
Total	498,857			504,783	94,344			93,992
3. PERSONNEL EXPENSES								
Wages and salaries	81,719			78,976	21,908			18,727
Pension expenses	12,514			11,729	4,757			3,636
Other personnel expenses	11,402			11,026	2,496			2,024
Total	105,635			101,731	29,162			24,388
4. SALARIES AND REMUNERATIONS PAID TO MANAGEMENT								
Managing director and members of the Board of Directors	2,927			2,790	586			470
5. AVERAGE NUMBER OF GROUP PERSONNEL								
Finland	1,561			1,655	628			629
Abroad	1,123			1,120				
Total	2,684			2,775	628			629
6. PENSION LIABILITY								
Pension liability for members of the Board of Directors and managing director								
The Chief Executive of the parent company can take early retirement at the age of 60 and has to retire on reaching 62. Certain other Group managers can take early retirement at 62.								
7. DEPRECIATION AND WRITE-DOWNS								
Depreciation on tangible and intangible assets	46,578			46,688	11,034			11,599
Write-downs on fixed assets and long-term investment	884			4,228	0			0
Total	47,462			50,916	11,034			11,599

*) Not part of the official financial statement material

	GROUP				PARENT COMPANY			
	2001	2000	2001	2000	2001	2000	2001	2000
8. RESULT BY DIVISION								
Chemicals Division	17,291	11,930						
Food Division	4,426	-346						
Benecol Division	-3,553	-45,631						
Animal Feeds Division	8,611	3,838						
Malting Division	2,406	433						
Others	-4,231	-2,411						
Total	24,950	-32,187						
RESULT QUARTERLY *)				2001				2000
	1-3	4-6	7-9	10-12	1-3	4-6	7-9	10-12
Chemicals Division	2,226	2,163	3,957	8,945	3,742	2,668	5,678	-158
Food Division	302	2,421	1,103	600	766	1,015	1,845	-3,972
Benecol Division	-1,690	-639	-1,204	-20	-2,509	-1,889	-39,573	-1,660
Animal Feeds Division	1,398	2,039	2,748	2,426	-383	268	1,786	2,167
Malting Division	-334	1,010	1,506	224	-405	157	368	313
Others	-1,012	16	-1,739	-1,496	-211	-589	-465	-1,146
Total	890	7,010	6,371	10,679	1,000	1,630	-30,361	-4,456
9. FINANCIAL INCOME AND EXPENSES								
Dividend received								
From participating interests companies						7		1,162
From others		764		752		756		747
Total		764		752		763		1,909
Interest received on long-term investment								
From Group companies						10,200		10,341
From others		209		217		1		0
Total		209		217		10,201		10,341
Total income from long-term investment		973		969		10,965		12,250
Other interest and financial income								
From Group companies						2,760		2,669
From others		5,034		6,181		4,118		5,282
Total		5,034		6,181		6,879		7,951
Total interest received on long-term investment and other interest and financial income		5,243		6,398		17,080		18,292
Exchange rate differences								
Group companies						1,576		445
Others		-1,028		140		-2,849		-299
Total		-1,028		140		-1,273		146
Write-downs on investment								
Write-downs on long-term investment		0		-2		0		0
Total		0		-2		0		0
Interest paid and other financial expenses								
To Group companies						-758		-683
To others		-21,633		-21,722		-17,065		-16,646
Total		-21,633		-21,722		-17,823		-17,330
Total financial income and expenses		-16,654		-14,434		-1,252		3,017
10. EXTRAORDINARY INCOME AND EXPENSES								
Extraordinary income								
Group subsidies received						11,800		12,150
Total		0		0		11,800		12,150
Extraordinary expenses								
Group subsidies paid						-9,690		-21,280
Total		0		0		-9,690		-21,280
Total extraordinary income and expenses		0		0		2,110		-9,130
11. APPROPRIATIONS								
Difference between planned depreciation and depreciation made in taxation						2,745		5,920
12. INCOME TAXES								
Income tax on extraordinary items		0		0		-612		2,648
Income tax on normal operations		-8,579		-4,379		-2,132		-3,467
Taxes on earlier financial years		23		-737		3		-76
Change in deferred tax liability		4,971		9,615		0		0
Total		-3,585		4,499		-2,741		-896

*) Not part of the official financial statement material

NOTES ON THE BALANCE SHEET

13. CONSOLIDATED TANGIBLE AND INTANGIBLE ASSETS 2001

	Intangible assets					Intangible assets total	Tangible assets					Tangible assets total
	Intangible rights	Goodwill	Group adjustments	Other long-term expenditure	Advances paid and unfinished assets		Land and water areas	Buildings and constructions	Machinery and equipment	Other tangible assets	Advances paid and unfinished assets	
Acquisition cost 1.1.	54,504	2,978	71,455	3,487	2,173	134,597	7,261	180,213	405,577	2,630	7,320	603,001
Conversion difference	-301	22	0	0	0	-279	66	275	849	158	61	1,409
Increase 1.1.-31.12.	5,294	69	5	37	453	5,858	6	3,321	16,573	1,125	5,733	26,758
Decrease 1.1.-31.12.	570	-64	4,443	1,841	0	6,790	154	3,644	10,028	1,021	-425	14,422
Transfers between items	353	0	0	-325	-2,096	-2,068	0	2,162	3,974	-9	-6,156	-29
Acquisition cost 31.12.	59,280	3,133	67,017	1,358	530	131,318	7,179	182,327	416,945	2,883	7,383	616,717
Accumulated depreciation and write-downs 1.1.	24,906	2,184	20,324	2,958	0	50,372	0	85,858	242,172	1,485	0	329,515
Conversion difference	-173	2	0	0	0	-171	0	-28	-100	103	0	-25
Accumulated depreciation of decrease and transfers	-880	-74	3,854	2,110	0	5,010	0	2,742	5,482	304	0	8,528
Depreciation for the year	6,260	153	3,562	81	0	10,056	0	8,842	28,139	403	0	37,384
Accumulated depreciation 31.12.	31,873	2,413	20,032	929	0	55,247	0	91,930	264,729	1,687	0	358,346
Book value 31.12.2001	27,407	720	46,985	429	530	76,071	7,179	90,397	152,216	1,196	7,383	258,371
Book value 31.12.2000	29,598	794	51,131	529	2,173	84,225	7,261	94,355	163,405	1,145	7,320	273,486
Balance sheet value of machinery and equipment 31.12.2001									121,653			
31.12.2000									127,645			

14. PARENT COMPANY TANGIBLE AND INTANGIBLE ASSETS 2001

	Intangible assets					Intangible assets total	Tangible assets					Tangible assets total
	Intangible rights	Goodwill	Other long-term expenditure	Advances paid	Land and water areas		Buildings and constructions	Machinery and equipment	Other tangible assets	Advances paid and unfinished assets		
Acquisition cost 1.1.	18,431	2,024	2,329	15	22,800	3,183	72,467	105,419	264	451	181,784	
Increase 1.1.-31.12.	859		21	127	1,007		792	2,865		36	3,693	
Decrease 1.1.-31.12.	270		1,850		2,120			1,194			1,194	
Transfers between items	15			-15	0		30	421		-451	0	
Acquisition cost 31.12.	19,035	2,024	501	127	21,687	3,183	73,289	107,512	264	36	184,284	
Accumulated depreciation and write-downs 1.1.	8,988	1,957	2,023		12,968		39,732	73,167			112,900	
Accumulated depreciation of decrease and transfers	22		1,850		1,872			888			888	
Depreciation for the year	1,850	67	43		1,961		2,608	6,420			9,027	
Accumulated depreciation 31.12.	10,817	2,024	217	0	13,057	0	42,340	78,699	0	0	121,039	
Book value 31.12.2001	8,218	0	284	127	8,629	3,183	30,949	28,813	264	36	63,245	
Book value 31.12.2000	9,443	67	306	15	9,832	3,183	32,735	32,251	264	451	68,885	
Balance sheet value of machinery and equipment 31.12.2001								26,831				
31.12.2000								29,893				

15. CONSOLIDATED AND PARENT COMPANY INVESTMENT 2001

GROUP	Participating interest company shares	Other shares	Other receivables	Total investment	PARENT COMPANY	Group company shares	Participating interest company shares	Other shares	Receivables, Group companies	Other	Total investment
Conversion difference	-2	6	0	4	Increase 1.1.-31.12.	9,607		0	8,277		17,884
Increase 1.1.-31.12.	1,247	51	165	1,463	Decrease 1.1.-31.12.	1,514		170	25,976		27,659
Decrease 1.1.-31.12.	4,158	550	0	4,708	Acquisition cost 31.12.	93,716	35	7,040	179,488	25	280,303
Transfers between items	0	0	0	0	Accumulated depreciation and write-downs 1.1.						
Acquisition cost 31.12.	4,245	8,111	2,862	15,218	Write-downs	1,850					1,850
Accumulated depreciation 31.12.	0	0	0	0	Accumulated depreciation 31.12.	0	0	0	0	0	0
Book value 31.12.2001	4,245	8,111	2,862	15,218	Book value 31.12.2001	93,716	35	7,040	179,488	25	280,303
Book value 31.12.2000	7,158	8,604	2,697	18,459	Book value 31.12.2000	83,772	35	7,210	197,186	25	288,229

Undepreciated Group adjustments for associated companies amounted to EUR 902 thousand on December 31, 2001.

	Group holding %	Parent company holding %
Group companies		
Airisto RE S.A., Luxembourg	100.00	99.00
Autuminvest Oy, Raisio	100.00	
Benerol Oy, Raisio	100.00	
Canelo Oy, Raisio	100.00	100.00
Carlshamn Mejeri AB, Sweden	100.00	
Claymore Chemicals Ltd., Scotland	100.00	99.93
Emerillon Polymers Inc., Canada	100.00	
Emsland-Raisio Chemie GmbH, Germany	50.00	
Finnamyl Ltd, Raisio	51.00	
PT Intercipta Kimia Pratama, Indonesia	100.00	100.00
Oy Kationi Ab, Raisio	60.00	
Lapuan Peruna Oy, Lapua	100.00	
Melia Eesti OÜ, Estonia	68.15	
Melia Ltd, Raisio	75.00	75.00
Monäs Feed Oy Ab, Uusikaarlepyy	100.00	
OOO Raisio, Russia	99.70	
Raisio Belgium N.V., Belgium	100.00	
Raisio Benecol Ltd, Raisio	100.00	
Raisio Benecol US Inc., USA	100.00	100.00
Raisio Catering Oy, Raisio	100.00	
Raisio Chemicals Argentina S.A., Argentina	100.00	100.00
Raisio Chemicals Canada, Inc., Canada	100.00	100.00
Raisio Chemicals Chile S.A., Chile	51.00	
Raisio Chemicals de México, S.A. de C.V., Mexico	100.00	
Raisio Chemicals Deutschland GmbH, Germany	51.00	
Raisio Chemicals Italia S.R.L., Italy	100.00	
Raisio Chemicals Korea Inc., Korea	100.00	
Raisio Chemicals Ltd, Raisio	51.00	
Raisio Chemicals Paperion S.A., France	100.00	
Raisio Chemicals S'pore Pte Ltd, Singapore	100.00	
Raisio Chemicals U.S., Inc., USA	100.00	
Raisio Chemicals UK Ltd., UK	100.00	
Raisio Echeveste S.A., Spain	100.00	
Raisio Engineering Oy, Raisio	51.00	
Raisio Feed Ltd, Raisio	100.00	
Raisio France S.A., France	99.99	
Raisio Grain Starch Ltd, Raisio	100.00	100.00
Raisio Netherlands B.V., Netherlands	100.00	
Raisio Nordic Eesti AS, Estonia	100.00	100.00
Raisio Nordic Oy, Raisio	100.00	
Raisio Polska Foods Sp. z o.o., Poland	100.00	100.00
Raisio Portugal-Produtos Quimicos, LDA, Portugal	51.00	
Raisio Química Andina S.A., Colombia	90.00	
Raisio Skandinavia Oy, Raisio	100.00	100.00
Raisio Staest Ltd, Raisio	100.00	
Raisio Staest US Inc., USA	100.00	
Raisio Svenska AB, Sweden	100.00	
SIA Amelija, Latvia	100.00	100.00
Sterol Technologies Ltd, Raisio	65.00	
Sterol Trading US Inc., USA	100.00	
Suomen Myllyt Oy, Raisio	100.00	

Associated companies

Alahärmän Perunavarasto Oy, Alahärmä	67.94	
PT Budi Raisio International, Indonesia	50.00	
Latexia S.A., Belgium	50.00	
Periva Oy, Kokemäki	50.00	
AS Rigas Dzirnarnieks, Latvia	26.66	
Vihannin Vedenpuhdistamo Oy, Vihanti	49.00	49.00
Vihervakka Oy, Pöytyä	38.50	38.50
WeSTERol Company LLC, USA	50.00	
Xinyi Raisio Chemicals Co. Ltd., China	40.00	

Group holding %**Latexia S.A. holding %****Latexia S.A. subsidiaries**

Latexia Asia Pacific PTE Ltd, Singapore	50.00	100.00
Latexia Deutschland GmbH, Germany	50.00	100.00
Latexia France SAS, France	50.00	100.00
Latexia Iberia, S.L., Spain	50.00	100.00
PT Latexia Indonesia, Indonesia	50.00	100.00
Latexia SB Oy, Raisio	50.00	100.00
Latexia Suomi Oy, Raisio	50.00	100.00
Latexia Sverige AB, Sweden	50.00	100.00
Latexia Österreich GmbH, Österreich	50.00	100.00

	GROUP		PARENT COMPANY	
	2001	2000	2001	2000
17. INVENTORIES				
Materials and supplies	104,981	102,469	27,169	21,300
Production in progress	1,103	1,633	0	0
Finished products/goods	35,961	36,884	8,378	10,912
Other inventories	1,734	810	4	9
	143,779	141,796	35,551	32,221
18. RECEIVABLES				
Non-current receivables				
Receivables from participating interests companies				
Loan receivables	567	0	0	0
Loan receivables	10,212	9,672	0	0
Other receivables	222	378	0	0
Prepaid expenses and accrued income	0	389	0	0
Total non-current receivables	11,001	10,439	0	0
Current receivables				
Accounts receivable	105,877	116,493	11,735	13,248
Receivables from Group companies				
Accounts receivable			11,176	17,136
Loan receivables			5,410	3,224
Other receivables			16,496	16,004
Prepaid expenses and accrued income			5,417	6,047
			38,500	42,410
Receivables from participating interests companies				
Accounts receivable	857	890	199	278
Loan receivables	112	2,994	0	0
Other receivables	11	8	23	22
Prepaid expenses and accrued income	15	86	26	139
	995	3,978	248	439
Loan receivables	747	925	0	158
Other receivables	8,879	9,048	1,992	842
Prepaid expenses and accrued income	11,842	15,947	486	4,353
Total current receivables	128,340	146,391	52,960	61,449
Prepaid expenses and accrued income include items related to the timing of operational income and expenses, financial items and taxes.				
19. SHAREHOLDERS' EQUITY				
Share capital 1.1.	27,776	27,776	27,776	27,776
Share capital 31.12.	27,776	27,776	27,776	27,776
Premium fund 1.1.	2,908	2,908	2,908	2,908
Premium fund 31.12.	2,908	2,908	2,908	2,908
Reserve fund 1.1.	88,667	88,664	88,587	88,587
Transferred from retained earnings	23	3	0	0
Other changes	-2	0	0	0
Reserve fund 31.12.	88,688	88,667	88,587	88,587
Other reserves 1.1.	92	29	0	0
Transferred from retained earnings	21	63	0	0
Other reserves 31.12.	113	92	0	0
Retained earnings 1.1.	115,195	159,247	64,716	68,547
Dividend distributed	-2,831	-5,611	-2,778	-5,555
Minority dividends transferred to retained earnings	53	56	0	0
Transferred to reserve fund	-23	-3	0	0
Transferred to other reserves	-21	-63	0	0
Other changes	1,242	2,345	0	0
Retained earnings 31.12.	113,615	155,971	61,939	62,991
Result for the year	6,630	-40,776	8,651	1,725
Total shareholders equity	239,730	234,638	189,861	183,987
Distributable equity			70,590	
Parent company share capital divided by share series as follows:				
		2001		2000
	Shares	EUR 1,000	Shares	EUR 1,000
Series K (20 votes/share)	35,391,112	5,952	36,407,370	6,123
Series V (1 vote/share)	129,757,918	21,824	128,741,660	21,653
Total	165,149,030	27,776	165,149,030	27,776

	GROUP		PARENT COMPANY	
	2001	2000	2001	2000
20. APPROPRIATIONS				
Parent company appropriations consist of the accumulated depreciation difference.				
In the consolidated accounts the proportion of the depreciation difference accumulated and non-mandatory reserves transferred to shareholders' equity is EUR 47,192 thousand.				
21. DEFERRED TAX LIABILITY AND ASSETS				
Deferred tax assets				
On consolidation	1,455	2,517		
On timing differences	13,308	15,093		
	14,763	17,610		
Deferred tax liability				
On appropriations	23,510	30,025		
On consolidation	1,431	1,431		
On timing differences	786	2,080		
	25,727	33,536		
22. LIABILITIES				
Non-current liabilities				
Loans from credit institutions	122,163	138,396	95,809	125,248
Pension loans	4,196	6,994	3,250	5,417
Advance payment	0	20	0	0
Other long-term loans	2,632	3,097	135	202
Total non-current liabilities	128,991	148,507	99,194	130,867
Liabilities falling due within a period longer than five years				
Loans from credit institutions	22,344	19,040	8,788	19,026
Other long-term loans	23	47	0	0
Total	22,367	19,087	8,788	19,026
Current liabilities				
Loans from credit institutions	143,532	155,734	119,629	114,902
Pension loans	2,798	2,798	2,167	2,167
Advance payments	919	1,393	1	13
Accounts payable	69,222	83,902	16,786	18,120
Notes payable	1,730	1,639	0	0
Liabilities to Group companies				
Accounts payable			589	563
Other liabilities			10,449	27,409
Accrued liabilities and deferred income			171	451
			11,209	28,423
Liabilities to participating interest companies				
Accounts payable	149	572	31	7
Other liabilities	0	4,531	0	0
Accrued liabilities and deferred income	0	290	0	7
	149	5,393	31	15
Other liabilities	18,599	19,196	11,749	11,936
Accrued liabilities and deferred income	35,020	38,534	11,202	12,299
Total current liabilities	271,969	308,589	172,774	187,875
Accrued liabilities and deferred income comprises items related to the timing of operational expenses, financial items and taxes.				
Interest-free debts				
Non-current	25,945	33,855	0	0
Current	112,546	131,917	39,584	53,799
Total	138,491	165,772	39,584	53,799

OTHER NOTES TO THE ACCOUNTS

	GROUP		PARENT COMPANY	
	2001	2000	2001	2000
23. SECURITY GIVEN, CONTINGENT AND OTHER LIABILITIES				
ASSETS GIVEN AS SECURITY				
For the Company				
Mortgages on real estate	66,808	67,371	5,517	5,517
Securities pledged	0	1,612	0	0
Corporate mortgages	55,715	56,278	0	0
Total	122,523	125,261	5,517	5,517
For Group companies				
Mortgages on real estate			51,494	48,468
Securities pledged			0	1,612
Corporate mortgages			25,060	25,060
Total			76,554	75,140

The value of the security is the nominal value of the pledged debt instruments or securities.

Comprises mostly comprehensive security given to financial institutions as collateral for loans, guarantees, and various limits on and off the balance sheet.

CONTINGENT OFF-BALANCE-SHEET LIABILITIES

Leasing liabilities

Amounts outstanding on leasing contracts

Falling due during 2002/2001	3,561	3,179	1,323	1,125
Falling due later	6,867	6,265	2,244	1,624
Total	10,428	9,444	3,567	2,749

Leasing contracts do not include substantial liabilities related to termination and redemption terms.

Contingent liabilities for Group companies

Guarantees	6,000	5,373	60,887	72,702
Redemption liabilities			2,327	2,853
			63,214	75,555

Contingent liabilities for the Company 14,138 12,913 5,550 5,550

Contingent liabilities for associated companies

Guarantees 10,094 3,691 10,000 2,972

Contingent liabilities for others

Guarantees 3,556 1,273 3,432 1,136

Liabilities arising from derivative contracts

Derivative contracts are used in the Group for hedging.

The values of underlying instruments stated below for derivative contracts illustrate the extent of hedging measures.

The market values of derivative contracts show what the result would have been if the derivative position had been closed at market prices on the date of closing the accounts.

Raw material futures:

Market value	391	333
Value of underlying instruments	17,528	14,637

The value of underlying instruments of raw material futures is the market value of the commodity batches underlying the futures, converted at the exchange rate on the date of closing.

Currency forward contracts:

Market value	-484	1,596
Value of underlying instruments	31,990	49,208

The value of underlying instruments of forward foreign exchange contracts is that of outstanding contracts converted to euros at the exchange rate on the date of closing.

Interest-rate swaps:

Market value	-16	816
Value of underlying instruments	60,000	40,000

The value of underlying instruments stated for interest rate swaps is the nominal value of outstanding contracts.

RISK MANAGEMENT

Financial risks

The aim of financial risk management is to protect the Group from unfavourable trends on financial markets and thus contribute to and safeguard corporate performance. Financing and financial risk management have globally been concentrated in the Group Finance department in order to ensure full coverage, sufficient expertise and cost-effective operations for risk management function.

Within the finance department, risk management operations are regulated by a finance policy which is revised regularly and approved by the Board. All major borrowing decisions are made by the Board following proposals from Group Finance.

Liquidity risk

Liquidity risk means that the company's financial assets and potential for acquiring additional financing may not cover the future needs of business operations. In accordance with corporate policy, Group Finance aims to maintain good liquidity under all circumstances, at a level that guarantees strategic operating freedom for the management. Apart from investments, the major elements in the liquidity reserve are undrawn loans agreed on with financiers and overdraft limits. Funding risks are spread by acquiring funding from a number of sources.

Interest rate risk

Interest rate risk refers to the impact of interest rate fluctuations on corporate net financial expenses and the market values of negotiable money market investments and derivatives over the next 12 months. This risk is controlled by managing the structure of the loan portfolio and money market investments so as to keep net financial expenses as low as possible. Interest rate swaps, forward rate agreements and interest rate options can be used in modifying portfolio composition. The maximum amount of interest rate risk to be carried is regulated by finance policy.

Foreign exchange risk

The Group hedges itself against the currency risks involved in receivables and liabilities denominated in foreign currencies, off-balance sheet purchase and sales agreements and, in part, budgeted cash flows. Group Finance may also hedge equity investments under currency risk in foreign subsidiaries. The aim of currency risk management is to optimize currency performance within the limits allowed by policy, using selective hedging. The instruments used in hedging operations may be forward currency contracts, currency options or currency swaps.

Counterparty risk

Counterparty risk refers to a situation in which a contracting party is unable or does not want to fulfil its obligations. The Group exposes itself to counterparty risk when Group Finance invests funds on the market and operates using derivatives. Group Finance is responsible for all counterparty risk related to its investments and derivative contracts. The key way of controlling such risks is careful selection of counterparties with a good credit rating, counterparty-specific limits and risk-spreading.

Commodity price risk

Commodity price risk refers to the uncertainty arising from differences in timing between fixed-price raw material purchases and fixed-price product sales. The subdivisions are in principle responsible for their own commodity price risk, with the exception that, in the case of rapeseed and soybean raw materials, the subdivision concerned is responsible for calculating its risk position but Group Finance carries out the necessary hedging operations.

Counterparty and credit risks in sales

Within the framework of corporate guidelines, the subdivisions make independent counterparty risk decisions, such as those on the criteria for accepting customers, the sales terms to be used and the security required. They are also responsible for the credit risk related to sales receivables. In some geographical areas, sales receivables have been secured with credit insurance policies.

Property and liability risks

In order to hedge against property, loss of profit or liability risks, the Raisio Group has global insurance schemes. Policy management has been centralized at the Group, but each subdivision is responsible for its insured amounts and objects to be insured.

International reinsurance markets have changed essentially following the September 11 terrorist attacks in the United States, and the cost of service provided by reinsurers has risen.

The past year was unfavourable in terms of Raisio's own loss trend, too. The biggest single loss was a fire and consequent loss of profits at the Toulouse factory in France when a neighbouring fertilizer plant blew up. There will certainly be pressure to raise Raisio Group's insurance premiums this year.

Developing the risk management

During 2001, risk management (excluding finance risks) was reorganized throughout the Raisio Group, and at the same time a risk management development project was started, with an external risk management consultant as a cooperation partner and expert.

Development work began by drawing up a risk management policy covering the entire Group in addition to the existing finance risk management policy. Related discussions have been held extensively between Group and divisional management and a number of other key persons. These discussions have helped to formulate a uniform picture of the company's risk management for key personnel and to chart certain specific features related to various functions and current practices and standing orders.

The purpose of the Raisio risk management policy is to provide instructions for practices related to risk identification and assessment so that the Group's strategy can be implemented in a controlled manner, using conscious risk management decisions and a multiple range of risk management tools.

FINANCIAL INDICATORS

	1997	1998	1999	2000	2001
Result and profitability					
Turnover, EURm	858	833	763	800	823
change, %	+29.9	-3.0	-8.4	+4.9	+2.9
Exports from Finland, EURm	135	178	145	131	135
International turnover, EURm	423	421	374	399	433
% of turnover	49.3	50.6	49.0	49.9	52.7
Operating result, EURm	41	52	16	-32	25
% of turnover	4.8	6.3	2.1	-4.0	3.0
Result before extraordinary items, EURm	35	42	6	-47	8
% of turnover	4.1	5.1	0.8	-5.8	1.0
Result before taxes and minority interest, EURm	20	39	-2	-47	8
% of turnover	2.3	4.7	-0.3	-5.8	1.0
Return on equity, ROE, %	7.8	9.2	0.4	-14.9	1.8
Return on investment, ROI, %	10.1	11.1	4.0	-4.2	5.5
Financial and economical position					
Shareholders' equity and minority interest, EURm	298	317	304	260	262
Net interest-bearing liabilities, EURm	143	174	233	251	233
Balance sheet total, EURm	643	690	744	750	689
Equity ratio, %	46.6	46.0	41.0	34.7	38.1
Gearing, %	48.0	54.9	76.5	96.5	88.9
Quick ratio	0.8	0.7	0.6	0.7	0.7
Current ratio	1.5	1.2	1.2	1.2	1.2
Cash flow from business operations, EURm	60*	47*	6	16	36
Other indicators					
Gross investments, EURm	73	75	61	49	29
% of turnover	8.5	9.0	8.0	6.2	3.5
R & D expenditure, EURm	17	18	16	18	18
% of turnover	1.9	2.1	2.1	2.3	2.2
Average personnel	2,817	2,904	2,897	2,775	2,684

* According to the previous accounting principles of source and application of funds

COMPUTATION OF INDICATORS

Return on equity % (ROE)	$\frac{\text{Profit before extraordinary items - taxes}}{\text{Shareholders' equity + minority interest (average)}} \times 100$
Return on investment % (ROI)	$\frac{\text{Profit before extraordinary items + interest and other financial expenses}}{\text{Balance sheet total - interest-free debts (average)}} \times 100$
Equity ratio %	$\frac{\text{Shareholders' equity + minority interest}}{\text{Balance sheet total - advances received}} \times 100$
Gearing %	$\frac{\text{Net interest-bearing liabilities}}{\text{Shareholders' equity + minority interest}} \times 100$
Quick ratio	$\frac{\text{Financial assets}}{\text{Current liabilities per balance sheet}}$
Current ratio	$\frac{\text{Financial assets + inventories}}{\text{Current liabilities per balance sheet}}$

Share indicators are on pages 60-61.

BOARD'S PROPOSAL FOR THE DISPOSAL OF PROFIT

Shareholders' equity according to the consolidated balance sheet at December 31, 2001 is EUR 239,730,000, of which EUR 73,165,000 is distributable. According to the balance sheet, the distributable assets of the parent company at December 31, 2001 total EUR 70,589,553.35, profit for the year accounting for EUR 8,651,034.27.

The Board of Directors proposes that a dividend of EUR 0.017 per share be paid from the parent company's earnings on a total of 165,149,030 shares,

totalling	EUR	2,807,533.51
and that be carried over on the retained earnings account	EUR	67,782,019.84
<u>Total</u>	<u>EUR</u>	<u>70,589,553.35</u>

The dividend will be paid when the matching period ends, i.e. on April 17, 2002.

Raisio, February 15, 2002

Arimo Uusitalo

Matti Linnainmaa

Antti Haavisto

Antti Herlin

Jaakko Ihamuotila

Kaj Lönnroth

Kaarlo Pettilä

Rabbe Klemets
Chief Executive

AUDITORS' REPORT

to the shareholders of Raisio Group plc

We have audited the accounting, the financial statements and the corporate governance of Raisio Group plc for the period January 1 - December 31, 2001. The financial statements, which include the report of the Board of Directors, consolidated and parent company income statements, balance sheets and notes to the financial statements, have been prepared by the Board of Directors and the Managing Director. Based on our audit we express an opinion on these financial statements and on corporate governance.

We have conducted the audit in accordance with Finnish Standards on Auditing. Those standards require that we perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by the management as well as evaluating the overall financial statement presentation. The purpose of our audit of corporate governance is to examine that the members of Supervisory Board, the Board of Directors and the Managing

Director have legally complied with the rules of the Finnish Companies Act.

In our opinion the financial statements have been prepared in accordance with the Accounting Act and other rules and regulations governing the preparation of financial statements in Finland. The financial statements give a true and fair view, as defined in the Accounting Act, of both the consolidated and parent company's result of operations, as well as of the financial position. The financial statements with the consolidated financial statements can be adopted and the members of the Supervisory Board, the Board of Directors and the Managing Director of the parent company can be discharged from liability for the period audited by us. The proposal by the Board of Directors regarding the distribution of retained earnings is in compliance with the Finnish Companies Act.

Raisio, February 18, 2002

Thor Nyroos
APA

Esa Kailiala
APA

STATEMENT OF THE SUPERVISORY BOARD

At its meeting today, the Supervisory Board examined the Board of Directors' report on company operations for the financial year January 1 - December 31, 2001, and the attached financial statements, and studied the auditors' report, in accordance with the Articles of Association.

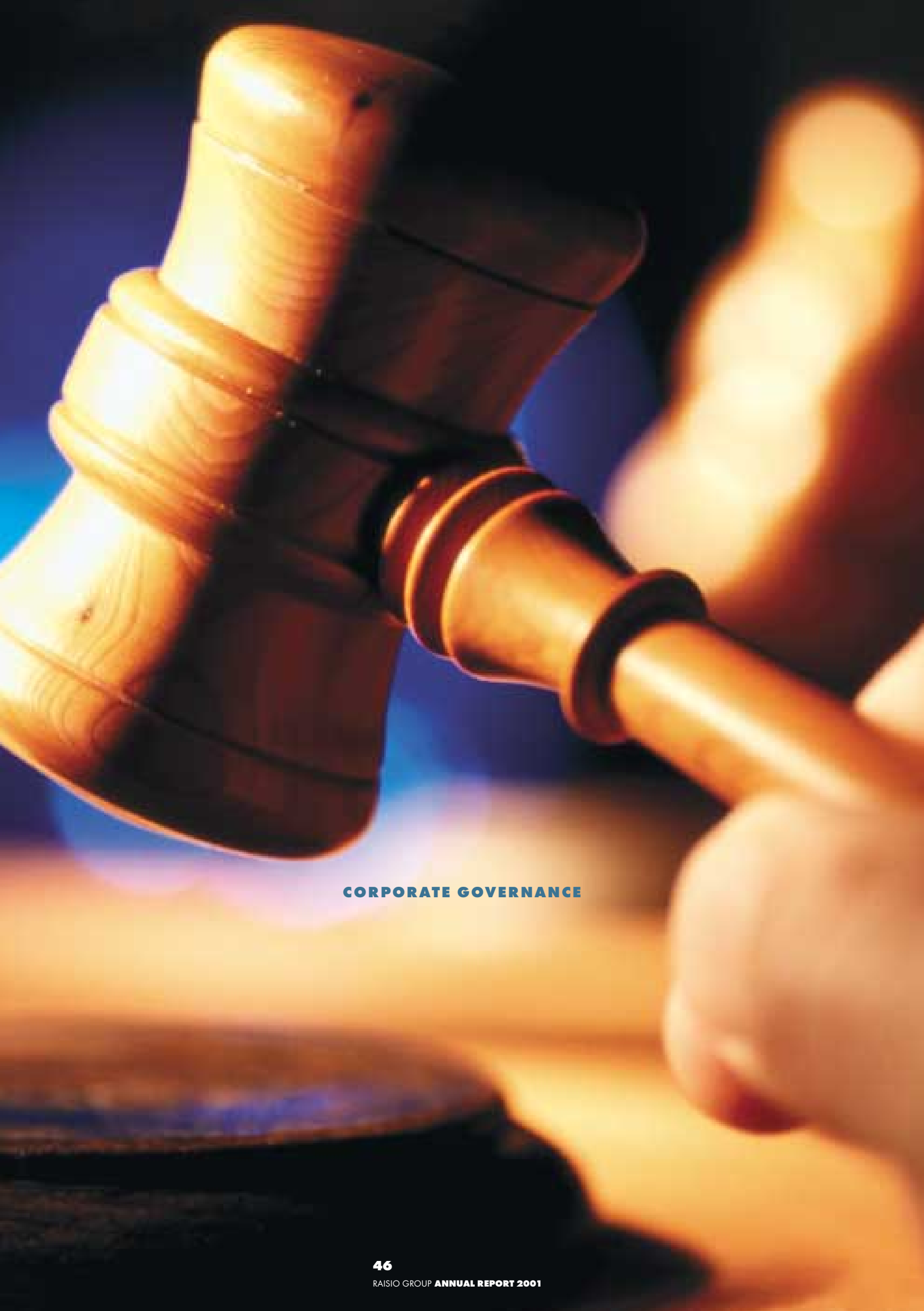
The Supervisory Board has decided to propose in its statement to the Annual General Meeting that the income statement and balance sheet and the consolidated income statement and balance sheet be adopted and that the profit shown by the accounts be disposed of as proposed by the Board of Directors.

The members of the Supervisory Board in turn to resign on December 31, 2002 are Risto Ervelä, Esa Härmälä, Juhani Immala, Timo Järvilahti, Albert Käiväräinen, Antti Lithovius, Ola Rosendahl, Nils-Erik Segersven and Simo Vaismaa.

Raisio, March 8, 2002

For the Supervisory Board

Vesa Lammela
Chairman



CORPORATE GOVERNANCE

Corporate Governance

Annual General Meeting

The AGM is the highest organ deciding on corporate issues. It meets annually by the end of April, to discuss and adopt the financial statements and the consolidated financial statements, to decide on discharging those accountable from liability and on the distribution of the profit, to replace the members of the Supervisory Board whose terms are coming to an end, and to elect the auditors. Extraordinary shareholders' meetings may be held when necessary, and are convened by the Board of Directors.

Supervisory Board

The Supervisory Board consists of a minimum of 21 and a maximum of 30 members with a term of three calendar years immediately following their election. A third of the members are replaced each year. No-one over 65 years of age can be elected to the Supervisory Board. The Supervisory Board supervises the corporate administration run by the Board of Directors and the managing director, and decides on issues related to any significant expansion or reduction of operations. It appoints the members of the Board of Directors and appoints and discharges the managing director and his deputy. The Supervisory Board must further give the AGM a statement on the financial statements and auditors' report. It met five times during the year under review.

Board of Directors

In accordance with Raisio Group plc Articles of Association, the company has a Board of Directors with a minimum of five and a maximum of eight members, and a minimum of five and a maximum of eight deputy members, all appointed by the Supervisory Board. The term of the members is the two calendar years following their election, and the terms of half of the members come to an end each year. No-one over 65 years of age can be elected to the Board of Directors. The chairman and the vice chairman of the Board of Directors are elected from among the Board of Directors for one calendar year at a time.

The Board of Directors has the general authority to decide on all issues related to corporate administration and other matters that are not assigned to other organs by law or the Articles of Association. It is the Board of Directors' general duty to see to corporate administration and its proper organization, provision of accounting and asset management control, and corporate representation. It is also the Board of Directors' role to decide on issues with extensive reverberations in respect of the character and scope of operations. The Board of Directors must steer and supervise the day-to-day management of the managing director and give the managing director instructions and orders when necessary.

Apart from the above general duties, the Board of Directors of Raisio Group plc has the following functions in accordance with an agenda adopted by it in October 2000:

- approves corporate strategy and revises it regularly
- approves corporate performance targets
- approves the annual budget and investment budget and supervises their implementation
- decides on major individual extrabudgetary investments and divestments unless it considers that they fall under the jurisdiction of the Supervisory Board on account of their nature or extent
- approves the dividend policy
- processes and approves interim reports, reports of the Board of Directors, financial statements and consolidated financial statements
- confirms the Group structure
- following a proposal by the Chief Executive, appoints and discharges the Chief Executive's immediate subordinates, determines their duties and decides on their terms of employment
- decides on incentive and reward systems for the management and personnel and submits them to the AGM when necessary
- approves important cooperation agreements, partnerships and corporate sales and purchases
- approves the composition of the Boards of Directors of major subsidiaries.
- reviews key risks related to corporate operations and their management annually
- approves the ethical values and procedures of the company.



The Raisio Group's executive committee consists of the Chief Executive and the heads of the business sectors and service functions. In the picture, Kai Hannus, President of Raisio Chemicals, and secretary Hannele Kaitaranta.

The Board of Directors may set up permanent or temporary committees and working groups consisting of either its own members or outsiders. These committees and working groups always report to the Board of Directors. If necessary, separate agendas may be drawn up and approved for them. The Board of Directors met 18 times during the year under review and held one telephone conference.

Managing director

The managing director, referred to as the Chief Executive at Raisio Group plc, runs and supervises corporate operations in accordance with instructions and orders from the Board of Directors. The managing director must on his own initiative keep the Board of Directors informed of corporate issues and status, and see that the accounts are kept in accordance with the law and that asset management is arranged reliably. He has the right to represent the company by virtue of his standing and within his appointed duties. The Raisio Group's managing director is always a member of the Board of Directors. The managing director has a right to retire at the age of 60.

Executive committee

At its regular monthly meetings, the executive committee concentrates on following up on the budget and operations, as well as reporting on and analysing the performance. The executive committee also handles issues concerning the entire Group, such as various policies. The executive committee consists of the Chief Executive and the heads of the business sectors and service functions.

Auditing

The corporate accounts are audited and handled globally by KPMG, with Thor Nyroos, APA, and Esa Kailiala, APA as the responsible auditors during the financial year 2001.

The annual areas of auditing focus are planned together with the business sector and financial management. The planning for audits takes into account the fact that the Group has no internal audit processes of its own. A summary of the corporate audit is submitted to the Board of Directors and the Chief Executive. Apart from this, the auditors of Group companies report separately to the management of each company.

The auditors attend Board of Directors meetings at least once a year. The auditors give the shareholders an auditing report on the annual financial statements as required by law.

Insider regulations

On May 1, 2000 the company adopted instructions following the guidelines for insiders issued by Helsinki Exchanges. Statutory insiders are those stipulated by law: the members of the Supervisory Board and the Board of Directors and their deputies and the managing director and auditors. Insiders by definition, on the other hand, on December 31, 2001, included 44 persons, mainly experts and members of the management. The Group's insider administration uses the SIRE system, through which the Raisio Group holdings of insiders and entities under their control, and changes therein, are made public.

Supervisory Board

Shareholdings at the time of releasing information on financial statements on February 15, 2002. Raisio Group restricted shares (series K) and free shares (series V)	End of term	End of term	End of term
		Juhani Immala , born 1935 Askainen Member since 1987 Series K 50,340	Yrjö Ojaniemi , born 1959 Lapua Member since 1.1.2002 Series K 780 and series V 660
Vesa Lammela , born 1941 Kiukainen Chairman since 1998 and member since 1996 Lammela Oy holding, series V 6,550	2004	Timo Järvilahti , born 1943 Halikko Member since 1987 Series K 60	Teemu Olli , born 1950 Nousiainen Member since 1987 Series K 44,000
Ola Rosendahl , born 1939 Pernaja Vice Chairman since 1988 and member since 1987 Series K 2,050 and series V 2,000	2002	Juho Koivisto , born 1945 Kurikka Member since 1987 Series K 1,080 and series V 180 (Shareholdings on 31.12.2001)	Pekka Raipala , born 1947 Hämeenkyrö Member since 1987 Series K 13,020 and series V 1,500
Hannu Auranen , born 1937 Karinainen Member since 1987 Series K 31,320 Auranen & Manner Ky holding, series V 10,920	2004	Taisto Korkeaoja , born 1941 Kokemäki Member since 1992 Series K 10,560 and series V 10,620	Juha Saura , born 1951 Pöytyä Member since 1998 Series K 1,200
Juhani Enkovaara , born 1945 Helsinki Member since 1996 Series K 500 and series V 250	2004	Erkki S. Koskinen , born 1946 Virrat Member since 1996 Series V 10,000	Nils-Erik Segersven , born 1936 Kemiö Member since 1994 Series K 7,800 and series V 6,180
Risto Ervelä , born 1950 Sauvo Member since 1991 Series K 3,000 and series V 3,500	2002	Albert Käiväräinen , born 1940 Mynämäki Member since 1987 Series K 6,700 and series V 2,030	Ilmo Seppälä , born 1937 Valkeala Member since 1996 Series K 150 and series V 150 (Shareholdings on 31.12.2001)
Erkki Haavisto , born 1968 Raisio Member since 1997 Series K 379,940 and series V 172,260	2004	Hans Langh , born 1949 Piikkiö Member since 1990 Series K 654,480	Tuula Tallskog , born 1946 Pertteli Member since 1998 Series K 560
Matti Hakala , born 1939 Orimattila Member since 1987 Series K 800 and series V 300	2003	Johan Laurén , born 1946 Parainen Member since 1999 Series K 40,980 and series V 1,360	Johan Taube , born 1950 Tenhola Member since 1987 Series K 101,180
Mikael Holmberg , born 1961 Nauvo Member since 1998 Series K 1,620 and series V 1,360	2003	Asko Leinonen , born 1960 Anjalankoski Member since 1.1.2002 Series V 400	Juhani Torkkomäki , born 1939 Somero Member since 1987 Series K 8,020 and series V 6,160
Esa Härmälä , born 1954 Helsinki Member since 1996 No Raisio Group shares	2002	Antti Lithovius , born 1950 Lumijoki Member since 1994 Series K 900 and series V 3,620	Jukka Tuori , born 1948 Huittinen Member since 1998 Series K 100
		Paavo Myllymäki , born 1958 Mietoinen Member since 1998 Series K 3,660 and series V 2,700	Simo Vaismaa , born 1942 Isokyrö Member since 1991 Series K 840 and series V 20,000



Board of Directors

Shareholdings and option rights at the time of releasing information on financial statements on February 15, 2002. Raisio Group restricted shares (series K) and free shares (series V)

Regular members

Arimo Uusitalo, born 1942

Kiikala

Chairman from 12.1.2001 and member since 1991

Series K 18,420

Option rights A, B, C and D, 1,250 of each

End of term 2002

Matti Linnainmaa, born 1940

Pori

Vice Chairman since 1997 and member since 1995

Series K 4,000 and series V 114,220

Option rights A, B, C and D, 1,250 of each

Satabusiness Oy holding, series V 1,500

End of term 2002

Antti Haavisto, born 1965

Helsinki

Member since 1.1.2002

Series K 382,740 and series V 160,740

No Raisio Group option rights

End of term 2004

Antti Herlin, born 1956

Helsinki

Member since 2001

Series V 10,000

No Raisio Group option rights

End of term 2002

Jaakko Ihamuotila, born 1939

Helsinki

Member since 2000

Series V 22,500

No Raisio Group option rights

End of term 2003

Rabbe Klemets, born 1953

Turku

Deputy member since 1999 and member from 23.4.2001

Series V 200

Option rights A, B, C and D, 3,000 of each

End of term 2003

Lasse Kurkilahti, born 1948

Turku

Member since 2000 to 23.4.2001

The Raisio Group Board of Directors comprises Matti Linnainmaa (front left), Arimo Uusitalo, Rabbe Klemets, Kaj Lönnroth; and Kaarlo Pettilä (back left), Antti Haavisto, Antti Herlin, Vesa Lammela and Jaakko Ihamuotila. Vesa Lammela is Chairman of the Supervisory Board and participates in Board meetings in that capacity.

Regular members

Kaj Lönnroth, born 1936

Kemiö

Member since 1987

Series K 12,000

Option rights A, B, C and D, 1,250 of each

End of term 2002

Kaarlo Pettilä, born 1941

Salo

Member since 1992

Series K 51,400 and series V 2,880

Option rights A, B, C and D, 1,250 of each

End of term 2003

Pertti Vuola, born 1935

Mietoinen

Member since 1987 to 31.12.2001

Series K 33,800 and series V 300

Option rights A, B, C and D, 1,250 of each

(Shareholdings and option rights on 31.12.2001)

Deputy members

Anssi Aapola, born 1951

Deputy member since 1991

Series K 17,820 and series V 10,000

Option rights A, B, C and D, 3,000 of each

Ilmo Aronen, born 1958

Deputy member from 23.4.2001

Series K 60 and series V 18,060

Option rights A, B, C and D 1,000 of each

Kai Hannus, born 1945

Deputy member since 1999

No Raisio Group shares

Option rights A, B, C and D, 3,000 of each

Juha Järvinen, born 1946

Deputy member from 1.1.2001 to 22.8.2001

Kauko Mannerjärvi, born 1957

Deputy member since 1998

Series K 180 and series V 17,240

Option rights A, B, C and D, 3,000 of each

Urpo Pirilä, born 1961

Deputy member from 8.11.2001

Series V 4,200

No Raisio Group option rights

AUDITORS

Regular auditors

Thor Nyroos

Authorized Public Accountant, Turku

(2001 accounts)

Esa Kailiala

Authorized Public Accountant, Lieto

Pekka Pajamo

Authorized Public Accountant, Raisio

Deputy auditors

Pertti Keskinen

Authorized Public Accountant, Turku

(2001 accounts)

Kimmo Antonen

Authorized Public Accountant, Littoinen

Kirsi Toivanen

Authorized Public Accountant, Kaarina



Rabbe Klemets
Chief Executive Officer



Kai Hannus
*President,
Raisio Chemicals*



Urpo Pirilä
*Executive Vice President,
Raisio Nutrition*



Jukka Lavi
*Executive Vice President,
Raisio Life Sciences*



Jukka Kaitaranta
*Executive Vice President,
Business Development Unit*



Kauko Mannerjärvi
Chief Financial Officer



Mikko Korttila
*Executive Vice President,
Human Resources and Legal Affairs*



Taru Narvanmaa
*Executive Vice President,
Communications and Investor Relations*



Anssi Aapola
*Executive Vice President,
Purchasing and Logistics*

Management

**Shareholdings and option rights at the time of releasing information on financial statements on February 15, 2002.
Raisio Group restricted shares (series K) and free shares (series V)**

Rabbe Klemets, born 1953
Chief Executive Officer

Employed since 1999
Series V 200
Option rights A, B, C and D, 3,000 of each

Kai Hannus, born 1945
President, Raisio Chemicals

Employed since 1976
No Raisio Group shares
Option rights A, B, C and D, 3,000 of each

Urpo Pirilä, born 1961
Executive Vice President, Raisio Nutrition

Employed since 2001
Series V 4,200
No Raisio Group option rights

Jukka Lavi, born 1955
Executive Vice President, Raisio Life Sciences

Employed since 2000
No Raisio Group shares
No Raisio Group option rights

Jukka Kaitaranta, born 1947
Executive Vice President, Business Development Unit

Employed since 1981
No Raisio Group shares
Option rights A, B, C and D, 2,500 of each

Kauko Mannerjärvi, born 1957
Chief Financial Officer

Employed since 1985
Series K 180 and series V 17,240
Option rights A, B, C and D, 3,000 of each

Mikko Korttila, born 1962
*Executive Vice President,
Human Resources and Legal Affairs*

Employed since 1997
No Raisio Group shares
Option rights A, B, C and D, 250 of each

Taru Narvanmaa, born 1963
*Executive Vice President,
Communications and Investor Relations*

Employed since 2001
Series V 10,000
No Raisio Group option rights

Anssi Aapola, born 1951
Executive Vice President, Purchasing and Logistics

Employed since 1983
Series K 17,820 and series V 10,000
Option rights A, B, C and D, 3,000 of each



SHARES AND SHAREHOLDERS



The Annual General Meeting of Raisio Group plc will be held on April 5, 2002.

Share capital and types of share

The fully paid up share capital of Raisio Group plc is EUR 27,776,072.91. On December 31, 2001, the stock was divided into 35,391,112 restricted shares (Series K) and 129,757,918 free shares (Series V), each with a book countervalue of EUR 0.17 (rough figure). Under an amendment of the Articles of Association registered on May 12, 2000, nominal value is not quoted for the share. The company's minimum share capital is EUR 25,000,000 and maximum share capital EUR 100,000,000. Share capital can be raised or lowered within these margins without amending the Articles of Association (Article 4). There was no change in share capital during the financial year.

The company shares were entered into the book-entry system on November 26, 1994. The marketplace for Raisio shares is Helsinki Exchanges: free shares are quoted on the Main List and restricted shares on the I list. The stock exchange code for a free share is RAIVV and the ISIN code FI 0009002943, and for a restricted share RAIKV and FI 0009800395 respectively.

Stock is divided into free shares (Series V) and restricted shares (Series K), with equal entitlement to equity and profits. At annual general meetings, each restricted share entitles the holder to 20 votes and each free share to one vote, though no shareholder may hold votes equal to more than 150/00 of the total shares making up the company's current share capital. Similarly, no shareholder is entitled to exercise more than 1/10 of the total number of votes represented at a shareholders' meeting (Article 10 of the Articles of Association). Based on the number of shares making up current share capital, the highest number of votes per shareholder, without the above 1/10 restriction, is 2,477,235, representing the same number of free shares or 123,862 restricted shares, or a combination of the two.

Acquisition of restricted shares via assignment requires the approval of the Board of Directors. Approval is required even if the party acquiring the shares already owns restricted shares in the company. Approval must be given if the share recipient is a natural person whose primary occupation is farming. If approval is not given, the

Board of Directors must convert the transferred restricted share into a free share (Articles 7 and 8 of the Articles of Association). The Board may also convert restricted shares into free shares on request, and likewise give advance information on whether the applicant is being granted permission to acquire restricted shares or not. In 2001, 1,016,258 restricted shares were converted into free shares.

Restricted shares concerning which the approval procedure is in progress or for which approval has not been sought will be retained on the 'waiting list' in the book-entry system until such time as they are entered in the share register as restricted shares following approval, assigned to another shareholder or converted into free shares.

Shareholding by the company management and warrant bond

The members of the company Supervisory Board and the members and deputy members of the Board of Directors and the Chief Executive owned 1,502,540 restricted shares and 422,700 free shares on December 31, 2001. This accounts for 1.17 per cent of the total number of shares and 1.74 per cent of the maximum voting power. They also own 77,000 option rights under the 1998-2003 option programme, i.e. 22.0 per cent of the total.

If the holders of option rights subscribe all the shares they are entitled to, i.e. 770,000 new free shares, the members of the Supervisory Board and the members and deputy members of the Board of Directors and the Chief Executive will own 1,502,540 restricted shares and 1,192,700 free shares, or 1.60 per cent of the post-subscription stock and 1.82 per cent of the corresponding votes.

Shareholder agreements

Raisio Group plc has no information on any shareholder agreements concerning the ownership of company shares and the use of voting power.

Amendment to articles of association

The Annual General Meeting held on April 3, 2001 decided to amend the Articles of Association so that in order to participate in dealing with the issues discussed at the Annual General Meeting, shareholders must inform the company of their intention to attend not later than the date given in the invitation to the meeting. The latest date must not be set more than ten days before the meeting. The invitation must be issued not earlier than two months before the latest date given in the invitation and not later than 17 days before the date of the Annual General Meeting itself.

Amendments to the Articles of Association have to be approved by two consecutive Annual General Meetings. This was the first decision on the amendment.

Authorization for the board of directors to raise share capital

The Annual General Meeting held on April 3, 2001 authorized the Board of Directors to decide on a maximum increase of EUR 3,363,758.53 in share capital in one or more new issues. The previous shareholders' first option may be departed from only on financial grounds crucial to the company and if the authorization is used to finance a corporate acquisition or purchase of business operations, to provide for intercorporate cooperation arrangements or to consolidate the company's capital structure.

The authorization was entered in the trade register on May 16, 2001 and will remain in force up to April 3, 2002. The authorization has not been exercised so far.

Authorization for the board of directors to acquire company shares

The Board of Directors is not authorized to buy or sell company shares, nor has any such authorization been sought from the Annual General Meeting. No shares in Raisio Group plc are owned by Raisio Group plc itself or any company or corporation within the Raisio Group.

Option programme 1998-2003

The Annual General Meeting held on April 7, 1998, approved the Board of Directors proposal for a option programme designed to form part of the Group's incentive scheme and to increase the commitment and work motivation of those entitled to it. A total of 350,000 new option rights will be issued, entitling their holders to subscribe a total of 3,500,000 new free shares.

By AGM decision, a total of 350,000 option rights have been issued to members and deputy members of Raisio Group plc's Board of Directors, and under a Board decision based on AGM authorization to members of Group and Group company management and key personnel and to a fully owned Group company. Option rights may later be assigned by this Group company to key personnel within the Raisio incentive scheme.

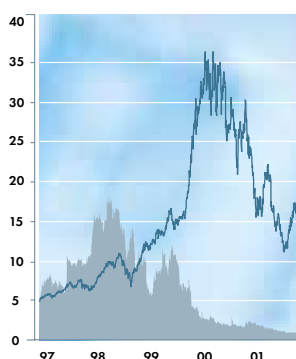
The option rights were issued without consideration, and the total number is divided into four lots of 87,500 each. Subscription periods for these lots began on May 4, 2000 (option right A), May 4, 2001 (option right B), May 4, 2002 (option right C) and May 4, 2003 (option right D). The subscription periods of all lots end on January 30, 2004. These subscriptions may not raise share capital by more than EUR 588,657.74, and the number of shares may not increase by more than 3,500,000 free shares, or 2.12 per cent of the current number. The votes carried by the new shares account for 0.4 per cent of the total votes carried by the current stock.

The basis for the subscription price of a new share is the price of a free share on Helsinki Exchanges between April 8 and 30, 1998, weighted by trading volumes, i.e. EUR 163.48, or EUR 16.35 per current share. This price was raised, making the subscription price EUR 17.02 in the subscription beginning on May 4, 2000, and EUR 17.36, EUR 17.69 and EUR 18.03 respectively for the later lots. The subscription price will be lowered by the amount of dividend distributed before January 30, 2004 after the option rights have been issued and during the period in which the option rights are valid. The subscription price must not be lower than the book countervalue of the share, however. The new shares entitle their holder to dividend for the financial period during which they are subscribed. No shares were subscribed under option rights during the financial year.

Raisio Group plc share price and relative trading volume

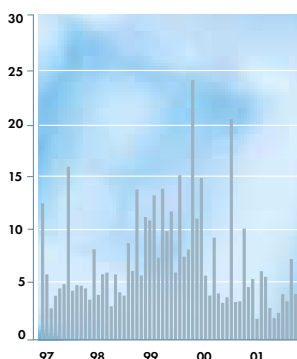
(Changes in nominal value and share issues taken into account as an adjustment)

Prices of free shares



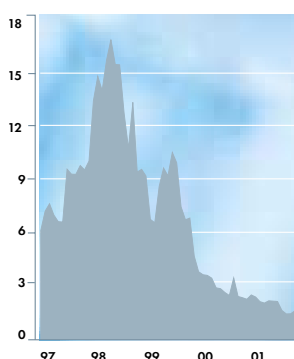
— Average quotation EUR
— HEX All Share Index

Relative trading volume of free shares



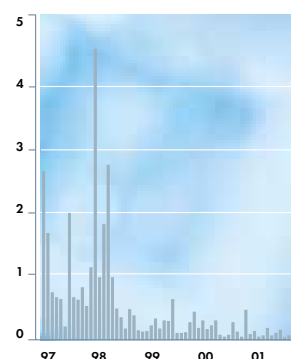
% of total share series

Prices of restricted shares



— Average quotation EUR

Relative trading volume of restricted shares



% of total share series

Increase in share capital

Subscription period	Method	Terms of subscription	Nominal value FIM	Subscription price FIM	Subscription price EUR	Number of new shares	Increase in share capital EURm	New share capital EURm	Right to dividend
13.12.1993-28.1.1994	New issue	5 V or 5 K: 1 V	50	250.00	42.05	405,206	3.41	20.5	Half dividend 1993
12.4.1995	Direct issue for Raisio Margariini shareholders	11 RM: 5 V	10	exchange		1,454,630	2.45	22.9	Full dividend 1995
10.6.-10.7.1996	New issue	5 V: 1 V 5 K: 1 K	10	80.00	13.46	2,722,163	4.58	27.5	Full dividend 1996
1.4.-30.4.1998	Direct issue for holders of 1993 bond warrants	-	10	96.75	16.27	181,920	0.31	27.8	Full dividend 1998

Breakdown of share capital, December 31, 2001

	Number of shares	% of total shares	% of total votes
Free shares	129,757,918	79.0	15.5
Restricted shares	35,391,112	21.0	84.5
Total	165,149,030	100.0	100.0

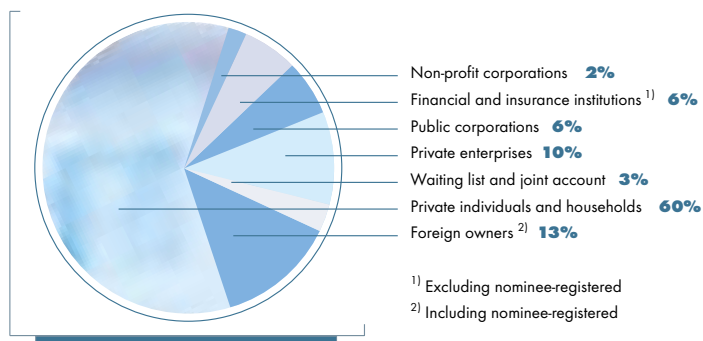
Shareholders

25 biggest shareholders on December 31, 2001, according to the shareholders' register.

	Series K no.	Series V no.	Total no.	%	Votes no.	%
Central Union of Agricultural Producers and Forest Owners	3,357,380	175,000	3,532,380	2.1	2,477,235	0.30
Ilmarinen Mutual Pension Insurance Company		2,766,500	2,766,500	1.7	2,477,235	0.30
Tapiola Mutual Pension Insurance Company		2,763,100	2,763,100	1.7	2,477,235	0.30
Tapiola Mutual Insurance Company	1,000,000	1,450,000	2,450,000	1.5	2,477,235	0.30
Brotherus Ilkka	42,540	2,098,920	2,141,460	1.3	2,477,235	0.30
Local Government Pensions Institution		1,344,000	1,344,000	0.8	1,344,000	0.16
Investment Fund Conventum Finland Value		1,023,000	1,023,000	0.6	1,023,000	0.12
Mutual Insurance Company Fennia		930,000	930,000	0.6	930,000	0.11
Investment Fund Phoenix		874,000	874,000	0.5	874,000	0.10
Special Investment Fund Phalanx		828,800	828,800	0.5	828,800	0.10
Haavisto Maija	393,120	278,280	671,400	0.4	2,477,235	0.30
Langh Hans	654,480		654,480	0.4	2,477,235	0.30
Haavisto Heikki	519,300	130,100	649,400	0.4	2,477,235	0.30
LEL Employment Pension Fund		593,100	593,100	0.4	593,100	0.07
Haavisto Erkki	379,940	172,260	552,200	0.3	2,477,235	0.30
Haavisto Antti	382,140	160,740	542,880	0.3	2,477,235	0.30
Onninen-Sijoitus Oy		500,000	500,000	0.3	500,000	0.06
Special Investment Fund Wip Small Titans		500,000	500,000	0.3	500,000	0.06
Myllymäki Erkki	385,820	113,080	498,900	0.3	2,477,235	0.30
Veritas Pension Insurance Company Ltd.		494,620	494,620	0.3	494,620	0.06
Fennia Life Insurance Company Ltd.		494,000	494,000	0.3	494,000	0.06
Haavisto Ilkka	349,960	108,480	458,440	0.3	2,477,235	0.30
Medical Investment Trust Ltd.		453,000	453,000	0.3	453,000	0.05
Agricultural Producers Support Fund	424,980	16,940	441,920	0.3	2,477,235	0.30
Fortumin Eläkesäätiö		433,600	433,600	0.3	433,600	0.05

Shares registered under foreign ownership, including nominee registrations, totalled 21,801,945 on December 31, 2001, or 13.2% of the total.

Breakdown of shares



Breakdown by shareholding, Dec 31, 2001

Free shares					Restricted shares			
No. of shares	Shareholders		Shares		Shareholders		Shares	
no.	no.	%	no.	%	no.	%	no.	%
1 - 1,000	30,114	66.9	14,710,312	11.4	4,472	59.0	1,571,099	4.5
1,001 - 5,000	11,977	26.6	28,997,182	22.4	2,027	26.7	4,808,316	13.6
5,001 - 10,000	1,850	4.1	13,911,042	10.7	563	7.4	4,009,207	11.3
10,001 - 25,000	749	1.7	11,727,057	9.0	357	4.7	5,571,731	15.7
25,001 - 50,000	165	0.4	6,012,230	4.6	113	1.5	3,744,495	10.6
50,001 -	140	0.3	54,020,175	41.6	51	0.7	11,330,110	32.0
waiting list			2,000	0.0			3,681,174	10.4
joint account			377,920	0.3			674,980	1.9
Total	44,995	100.0	129,757,918	100.0	7,583	100.0	35,391,112	100.0

On December 31, 2001, Raisio Group plc had a total of 47,824 registered shareholders.

SHARE INDICATORS

	1997	1998	1999	2000	2001
Earnings/ share (EPS), EUR	0.14	0.16	0.01	-0.25	0.04
Cash flow/ share, EUR	0.37*	0.29*	0.04	0.10	0.22
Equity/ share, EUR	1.66	1.74	1.69	1.42	1.45
Dividend/ share, EUR	0.050	0.059	0.034	0.017	0.017¹⁾
Dividend/ earnings, %	36.26	37.47	398.38	-6.81	42.35
Effective dividend yield, %					
Free shares	0.46	0.63	0.85	0.84	1.85
Restricted shares	0.47	0.65	0.72	0.76	1.17
P/E ratio					
Free shares	78.2	59.6	466.9	-	22.92
Restricted shares	76.9	57.8	556.5	-	36.12
Share value					
Adjusted average quotation, EUR					
Free shares	8.37	13.07	7.70	2.60	1.48
Restricted shares	8.23	14.68	8.28	3.12	2.05
Adjusted lowest quotation, EUR					
Free shares	4.86	7.82	3.55	1.71	0.91
Restricted shares	4.73	7.74	4.00	2.20	1.30
Adjusted highest quotation, EUR					
Free shares	10.97	18.16	12.45	4.34	2.52
Restricted shares	10.85	18.00	12.10	5.20	3.20
Adjusted quotation, Dec 31, EUR					
Free shares	10.88	9.36	3.94	2.00	0.92
Restricted shares	10.70	9.08	4.70	2.22	1.45
Market capitalization Dec 31, EURm					
Free shares	1,308.7	1,199.3	505.8	252.3	120.7
Restricted shares	460.3	336.5	171.3	81.9	51.0
Total	1,769.0	1,535.8	677.1	334.2	171.7
Trading in shares					
Trading, EURm					
Free shares	735.6	1,286.3	1,419.3	322.6	99.1
Restricted shares	48.4	80.6	9.5	2.6	0.7
Total	784.0	1,366.9	1,428.8	325.2	99.8
Number of shares traded					
Free shares,					
1,000 shares	87,884	98,429	184,293	124,213	66,877
%	75.1	78.4	143.6	96.5	51.6
Restricted shares,					
1,000 shares	5,887	5,493	1,144	817	346
%	12.7	14.1	3.1	2.2	1.0
Number of shares					
Average adjusted number of shares,					
1,000 shares					
Free shares	117,090	125,514	128,335	128,722	129,575
Restricted shares	46,240	39,052	36,814	36,427	35,574
Average adjusted number of shares					
Dec 31, 1,000 shares					
Free shares	120,294	128,072	128,706	128,742	129,758
Restricted shares	43,035	37,077	36,443	36,407	35,391

* According to the previous accounting principles of source and application of funds

¹⁾ According to the Board proposal

COMPUTATION OF SHARE INDICATORS

Earnings per share (EPS)	$\frac{\text{Profit before extraordinary items - taxes -/+ minority interest}}{\text{Average number of shares for the year, adjusted for share issues}}$
Cash flow per share	$\frac{\text{Cash flow from business operations}}{\text{Average number of shares for the year, adjusted for share issues}}$
Equity per share	$\frac{\text{Shareholders' equity}}{\text{Number of shares at December 31, adjusted for share issues}}$
Dividend per share, adjusted for share issues	$\frac{\text{Dividend distributed for the year}}{\text{Adjustment coefficient for share issues launched during and after the financial period}}$
Dividend per profit %	$\frac{\text{Dividend per share}}{\text{Profit per share}} \times 100$
Effective dividend yield %	$\frac{\text{Dividend per share, adjusted for share issues}}{\text{Average quotation adjusted for share issues and weighted with trading volumes at December 31}} \times 100$
P/E ratio	$\frac{\text{Average quotation adjusted for share issues and weighted with trading volumes at December 31}}{\text{Profit per share}}$
Market capitalization	Average quotation adjusted for share issues and weighted with trading volumes at December 31 x number of shares at December 31

INVESTMENT ANALYSES

Analysts with the following brokers, among others, follow the Raisio Group as an investment target. The Raisio Group is not responsible for the assessments made by these analysts.

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E-mail: kia.ajmelaesus@carnegie.fi

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Mr Hannu Nyman
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E-mail: hannu.nyman@conventum.fi

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Enskilda Securities AB
Mr Tommy Ilmoni
Tel. +358 9 616 287 20
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Raisio Group has production facilities in 25 localities in 13 countries. The addresses and contact information of all our offices and production units are available on the Raisio Group's home page at www.raisio.com

Glossary

AKD wax	The active ingredient in AKD sizes, used in paper making (alkyl ethylene dimer)
Beta-amylase enzyme	Wheat grain enzyme, splits starch to maltose, used e.g. to make maltose syrup for the confectionery and brewery industries
BSE	Cattle brain disease, “mad cow disease” (Bovine Spongiform Ecephalopathy)
Co-determination negotiations	Negotiations based on the Finnish Act on Codetermination in Companies
CV	Curriculum vitae, summary of training and work experience
Esterization	Chemical reaction forming an ester bond between alcohol and acid (e.g. plant stanol and fatty acid); at a stanol ester factory, esterization refers to the chemical reaction in which stanol and fatty acid produce stanol ester.
Farm feed	Feed for cattle, pigs or poultry
FDA	The United States Food and Drug Administration
Functional food	Food with scientifically evidenced health effect
Functional paper chemical	Paper chemical with significant impact on desired properties in end products (e.g. printed matter or packaging), such as offset printability
Hydrophobic size	Substance used in making paper, regulates water based liquid absorption into paper or board, and improves the printability of paper and suitability of board for packaging liquids (e.g. milk cartons)
Ingredient	Food ingredient, e.g. stanol ester
ISO 14001 standard	International standard for environmental systems
Latex binder	Binder used for pigment coating of paper and board; improves paper appearance and print quality, and binds mineral coating pigments efficiently to the paper surface
Life sciences	Areas based on the biosciences
MTT	MTT Agrifood Research Finland
Multifunctional product	Product with more than one functional property
Notification	Procedure for reporting new substances
Polymer	Chemical product consisting of a number of smaller components, or monomers (e.g. polyethylene formed from ethylene, used for plastic bags, for instance)
Pressing margin	Difference between the sales price of products made from oil plant seed and the cost of the raw material
Private labels	Central trade organization brands
Reagent	A solid or liquid compound used by laboratories for chemical analysis and preparation of new substances because of its high reactive sensitivity
Regulatory	Prescribed by law
Segment	An area or group, part of a larger entity
Stanol ester	Plant stanol fatty acid ester, i.e. the compound formed in the reaction between stanol and fatty acid; the functional ingredient in Benecol products, innovation patented by Raisio
Starch binders	Binders used in paper making to improve internal strength, surface strength and printability of paper and board
Sterol ester	Plant sterol fatty acid ester, i.e. the compound formed in the reaction between sterol and fatty acid
VOC	Volatile hydrocarbons (Volatile Organic Compounds)
VTT	Technical Research Centre of Finland
Wheat gluten	Wheat protein giving bread the necessary baking quality and texture

