

Safe food – A balanced diet

We at Rieber & Søn want you to feel confident that when you serve our products you are assured that they contain only safe ingredients.

— EPS of NOK 1.02 (1.09) and EBIT of NOK 127m (128m) in third quarter.

— Sales growth of 0.7%, driven by price increases to compensate for higher commodity prices.

— Net effects of NOK 28m from "Our Future" in third quarter.

— Lierne integrated with Rieber & Søn for accounting purposes from third quarter.

3rd QUARTER REPORT 2011

Rieber & Søn recorded third quarter operating profits (EBIT) of NOK 127m (128m) and EPS amounted to NOK 1.02 (NOK 1.09).

Sales in the third quarter were 0.7% higher at NOK 1 077m (1 070m), while organic growth stood at -0.4%. Sales benefited by 2.4% from structural effects, but were 1.3% lower due to currency conversion effects.

The gross margin in the third quarter was 59.1% (60.3%), while the EBITDA margin was 16.2% (16.5%). The EBIT margin in the same period stood at 11.8% (11.9%). The return on capital employed (ROCE) was 17.4% (17.3%) in the third quarter.

In our second quarter report we advised that Rieber & Søn expected EPS for 2011 to be around NOK 3.50, after adjusting for the divestment of King Oscar. In view of the weaker performance than expected in the third quarter, driven by lower volumes, it is very likely that the Group will be unable to achieve its stated earnings target for 2011.

Price increases show effect

In connection with the second quarter report Rieber & Søn advised that price increases to the customers were to be implemented in order to compensate for increased raw material prices. This has now been done as planned.

Raw material prices are still above last year's third quarter level, but have stabilised when measured against this year's second quarter. How raw material prices will develop is a matter of uncertainty, partly due to the current instability of the global economy.

Lierne integrated

Lierne was integrated with Rieber & Søn for accounting purposes with effect from the third quarter. The operational integration with BU Norway is progressing as planned, with completion due in the second quarter of 2012 when the production of Vestlandslefsa (griddle cakes) is moved to Lierne Bakery. Identified synergies will provide considerable savings and benefits.

"Our Future"

Improvements in purchasing, production and marketing under the "Our Future" platform provided a net effect of NOK 28m in the third quarter, made up of positive effects totalling NOK 34m and implementation costs of NOK 6m. The accumulated positive effects since the start in 2009 amount to NOK 405m. The programme, which is designed to improve Group profitability through lasting effects of NOK 400m in 2012, is progressing as planned.

"Our Future" has given the Group its strategic direction since 2009. The programme will end this year and a summary of the effects and improvements that have been achieved will be included in the report for the fourth quarter.

Future Purchasing

There is still a strong focus on indirect purchasing categories under the Future Purchasing programme. New effects were achieved in the third quarter and the programme is progressing as planned.

Future Production

The Group's factories at Lierne and Voss were included under Future Production in the third quarter. All of the Group's production plants are thus now embraced by the efficiency programme, except for the factory in Os where production is being transferred to Lierne.

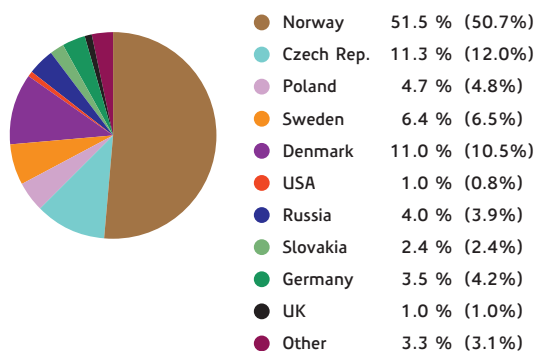
The effects that have been achieved are as planned and steps are being taken to ensure that realised improvements are maintained through everyday operations.

Development in Western Europe

Sales in Western Europe totalled NOK 834m (820m) in the third quarter, with EBIT ending at NOK 121m (118m), while the EBIT margin was 14.5% (14.4%). Organic growth in Western Europe stood at -0.4% in the third quarter.

Rieber & Søn Norway recorded sales growth and higher earnings in the third quarter. The increase in sales was largely due to price increases to the customers in order

GEOGRAPHICAL BREAKDOWN. NET SALES IN 3rd QUARTER



to compensate for higher raw material prices. The Norwegian business is being challenged by declining volumes and a change in the product mix. Market shares are stable in key categories, with continued growth recorded by chilled ready meals.

Rieber & Søn Denmark recorded sales growth in the third quarter, but earnings were weaker. A cold summer impacted negatively on sales in July, but sales in August were buoyant, benefiting from a strong promotional programme. Our Danish business implemented price increases effective from 1 July as a consequence of higher raw material costs. The Danish authorities introduced a new fat tax effective from 1 October which will be offset through price increases to the customers. Implementation of the fat tax is likely to lead to a general decline in sales. The business has launched new salads with a reduced fat content.

Rieber & Søn Sweden reported higher sales and an improved performance in the third quarter, but profits are still too weak. Our Swedish business has had some success in reducing the cost base, which is too high in relation to the present turnover. Structured action is being taken to introduce an improved innovation programme in order to achieve greater supply chain efficiency.

Rieber & Søn Food Service recorded sales in line with last year in the third quarter, although earnings were slightly weaker. The business implemented price increases to the customers in the third quarter in order to compensate for higher raw material prices, but has experienced a volume decline in the key markets. Market shares in key categories show a stable or positive development.

Cronions recorded a slight improvement in sales in the third quarter, but a slightly weaker accounting result. While volumes developed positively in the third quarter, a demanding competitive situation is making it difficult to effect the price increases needed to compensate for the rise in raw material prices.

Rieber & Søn Germany recorded sales and profits in line with last year. Our German business is facing challenges in a demanding market where the implementation of price increases to the customers presents difficulties, but there is a systematic focus on new market initiatives.

SALES BY PRODUCT GROUP. NET SALES IN 3rd QUARTER



Development in Central Europe

Sales in Central Europe (CE) came to NOK 222m (229m) in the third quarter. During the same period, EBIT ended at NOK 6m (12m), while the EBIT margin was 2.7% (5.2%). Organic growth in CEE stood at -1.0% in the third quarter.

Rieber & Søn Czech recorded weaker sales and earnings in the third quarter. A change in the product mix and lower volumes in key categories impacted negatively on the business, but market shares are stable in most categories, with a positive trend in condiments. The Slovak part of the business is continuing to develop well.

Rieber & Søn Poland reported weaker sales and a negative operating result. The business has taken short-term steps designed to promote sales growth and reduce the cost base. At the same time, long-term, strategic plans are being drawn up to get the business back on course. Our market shares have been weakened, especially in the area of cake mixes.

Development in Russia/Other areas

The segment referred to as Russia/Other areas includes Russia and HQ costs. Segment sales totalled NOK 44m (42m) in the third quarter. EBIT ended the period at minus NOK 1m (-2m), while the EBIT margin was -1.2% (-4.4%). Organic growth for the segment stood at 4.7% in the third quarter.

Rieber & Søn Russia recorded considerable sales growth and higher profitability in the third quarter and the business has succeeded in increasing volumes, distribution and margins.

Capital

The accumulated cash flow from operations totalled NOK 136m (269m). The Group's net investments in 2011 amount to NOK 94m (56m). Capital employed totals NOK 2 799m (3 067m), with net working capital accounting for NOK 472m (610m).

Bergen, 24 October 2011

The Board of Directors of Rieber & Søn ASA

CONDENSED FINANCIAL STATEMENTS for the Rieber & Søn Group

INCOME STATEMENT

Figures in NOK m	3rd Quarter		First 9 months		Year-end
	2011	2010	2011	2010	2010
Net sales	1 077	1 070	3 182	3 376	4 546
<i>Of which sales outside Norway</i>	523	528	1 604	1 762	2 339
Gross profit	637	645	1 868	2 020	2 721
Payroll costs	-223	-224	-751	-759	-1 029
Other operating costs	-239	-244	-763	-797	-1 050
EBITDA	175	177	354	464	642
Depreciations	-48	-49	-144	-149	-199
One-off items *)	-	-	-11	-4	17
EBIT	127	128	199	311	460
Net financial items **)	-11	-9	-27	-27	-45
Profit before taxes	116	119	172	284	415
Taxes	-37	-36	-54	-86	-115
Profit after taxes	79	83	118	198	300
Key ratios					
Gross margin	59.1 %	60.3 %	58.7 %	59.8 %	59.9 %
EBITDA margin	16.2 %	16.5 %	11.1 %	13.7 %	14.1 %
EBIT margin	11.8 %	11.9 %	6.3 %	9.2 %	10.1 %
Capital employed	2 915	2 966	2 799	3 067	3 032
Return on capital employed / ROCE	17.4 %	17.3 %	9.6 %	13.6 %	15.0 %
EPS / Diluted EPS	1.02	1.09	1.54	2.59	3.91

*) One-off items 2011 relate to workforce reductions in sales and administrative functions in Norway (NOK -10m) and Poland (NOK -2m). One-off items as of 3Q 2010 represent loss from divestment of Business Unit King Oscar (NOK -8m, whereof reversal of hedging instruments amounts to NOK -4m), in addition to income from change in regulation of contractual pension agreements in Norway (NOK +4m). One-off items for 2010 in total represent gain from divestment of Business Unit King Oscar (NOK +5m, whereof reversal of hedging instruments amounts to NOK -4m), closure of sales office in UK (NOK -5m), in addition to income from change in regulation of contractual pension agreements in Norway (NOK +17m).

**) Net financial items in year-end figures for 2010 are influenced by write-down of the shareholding in Seagarden (NOK -8m).

STATEMENT OF COMPREHENSIVE INCOME

Figures in NOK m	3rd Quarter		First 9 months		Year-end
	2011	2010	2011	2010	2010
Translation differences	-6	34	-4	23	-10
Remaining other comprehensive income	9	-5	7	-6	-23
Other comprehensive income	3	29	3	17	-33
Group profit	79	83	118	198	300
Total comprehensive income	82	112	121	215	267

BALANCE SHEET

Figures in NOK m	At 30.09.	At 30.09.	At 31.12
	2011	2010	2010
ASSETS			
Tangible fixed assets	1 561	1 556	1 568
Intangible fixed assets	797	793	748
Financial assets	20	25	19
Total capital assets	2 378	2 374	2 335
Stocks	499	449	447
Accounts receivable	689	679	666
Other short-term receivables*)	34	33	30
Cash and bank deposits	21	31	15
Total current assets	1 243	1 192	1 158
TOTAL ASSETS	3 621	3 566	3 493
EQUITY AND LIABILITIES			
Equity	1 592	1 955	2 007
Long-term interest-free debt	288	294	300
Long-term interest-bearing debt	528	259	259
Total long-term debt	816	553	559
Short-term interest-bearing debt	507	385	169
Accounts payable	302	290	327
Other short-term interest-free debt	404	383	431
Other short-term debt	1 213	1 058	927
TOTAL EQUITY AND LIABILITIES	3 621	3 566	3 493

*) At 30 September 2011 other short-term assets include a claim amounting to NOK 13m due to an insurance settlement which is not closed.

STATEMENT OF CHANGES IN EQUITY

Figures in NOK m	Paid-in equity			Retained earnings			Total
	Share capital	Own shares	Other paid-in equity	Translation reserve	Net unrealised gains reserve	Other equity	
Changes in equity 2011							
Equity 1 January	776	-10	4	82	-23	1 179	2 007
Translation differences				-4			-4
Remaining other comprehensive income					7		7
Other comprehensive income	-	-	-	-4	7	-	3
Group profit						118	118
Total comprehensive income	-	-	-	-4	7	118	121
Dividends paid						-536	-536
Equity 30 September	776	-10	4	78	-16	761	1 592

Changes in equity 2010

Equity 1 January	776	-10	4	91	-9	1 041	1 893
Translation differences				23			23
Remaining other comprehensive income					-6		-6
Other comprehensive income	-	-	-	23	-6	-	17
Group profit						198	198
Total comprehensive income	-	-	-	23	-6	198	215
Dividends paid						-153	-153
Equity 30 September	776	-10	4	114	-15	1 086	1 955

CASH FLOW STATEMENT

Figures in NOK m

	At 30.09. 2011	At 30.09. 2010
Cash flow from operations		
Profit before taxes	172	284
Taxes paid	-69	-73
Depreciation, incl. gain/loss on disposal of fixed assets	143	148
Change in accruals	-110	-90
Net cash flow from operations	136	269
Cash flow from investment activities		
Net proceeds from fixed assets purchased and sold	-110	-71
Net proceeds from divestments	38	152
Net proceeds from acquisition	-67	-
Net proceeds from other investment activities	-	-10
Net cash flow from investment activities	-139	71
Cash flow from financing activities		
Change in other long-term interest-free debt	-1	-
Change in interest-bearing debt (short and long term)	546	-235
Dividends paid	-536	-153
Net cash flow from financing activities	9	-388
Net change in liquid assets	6	-48
Liquid assets 1 January	15	82
Net change in liquid assets	6	-48
Translation differences	-	-3
Liquid assets 30 September	21	31

SEGMENTS in the Rieber & Søn Group

WESTERN EUROPE

Figures in NOK m	3rd quarter		First 9 months		Year-end
	2011	2010	2011	2010	2010
Net sales	834	820	2 425	2 454	3 340
<i>Of which internal sales</i>	2	2	10	9	12
Gross profit	497	500	1 433	1 495	2 037
Operating and payroll costs	-342	-349	-1 125	-1 125	-1 516
EBITDA	155	151	308	370	521
Depreciation	-34	-33	-102	-98	-133
One-off items*)	-	-	-10	4	12
EBIT	121	118	196	276	400
Key ratios					
Gross margin	59.6 %	60.9 %	59.1 %	60.9 %	61.0 %
EBITDA margin	18.6 %	18.4 %	12.7 %	15.1 %	15.6 %
EBIT margin	14.5 %	14.4 %	8.1 %	11.3 %	12.0 %
Capital employed	2 087	2 047	2 017	2 061	2 053
Return on capital employed / ROCE	23.2 %	23.0 %	13.0 %	17.9 %	19.1 %
Balance sheet items					
Short-term receivables and stocks			837	756	668
Short-term interest-free debt (excl public debt and bank overdrafts)			-491	-457	-435
Fixed assets (tangible and intangible)			1 789	1 736	1 718

*) One-off items 2011 relate to workforce reductions in sales and administrative functions in Norway (NOK -10m). One-off items as of 3Q 2010 represent income from change in regulation of contractual pension agreements in Norway (NOK +4m). One-off items for 2010 in total represent closure of sales office in UK (NOK -5m), in addition to income from change in regulation of contractual pension agreements in Norway (NOK +17m).

CENTRAL EUROPE (CE)

Figures in NOK m	3rd quarter		First 9 months		Year-end
	2011	2010	2011	2010	2010
Net sales	222	229	707	720	991
<i>Of which internal sales</i>	21	18	62	56	78
Gross profit	120	128	378	402	546
Operating and payroll costs	-105	-105	-347	-337	-453
EBITDA	15	23	31	65	93
Depreciation	-9	-11	-28	-32	-42
One-off items*)	-	-	-2	-	-
EBIT	6	12	1	33	51
Key ratios					
Gross margin	53.8 %	56.1 %	53.5 %	55.8 %	55.2 %
EBITDA margin	6.9 %	9.9 %	4.4 %	9.0 %	9.4 %
EBIT margin	2.7 %	5.2 %	0.1 %	4.5 %	5.2 %
Capital employed	630	664	645	667	670
Return on capital employed / ROCE	3.9 %	7.1 %	0.3 %	6.5 %	7.7 %
Balance sheet items					
Short-term receivables and stocks			334	346	330
Short-term interest-free debt (excl public debt and bank overdrafts)			-155	-140	-116
Fixed assets (tangible and intangible)			424	458	441

*) One-off items 2011 relate to workforce reductions in sales and administrative functions in Poland (NOK -2m).

RUSSIA / OTHER SEGMENTS

Figures in NOK m	3rd quarter		First 9 months		Year-end
	2011	2010	2011	2010	2010
Net sales	44	42	122	268	307
<i>Of which internal sales</i>	-	-	-	2	2
Gross profit	20	17	57	123	137
Operating and payroll costs	-16	-14	-43	-94	-108
EBITDA	4	3	14	29	29
Depreciation	-5	-5	-12	-18	-24
One-off items*)	-	-	-	-9	4
EBIT	-1	-2	2	2	9
Key ratios					
Gross margin	45.4 %	42.0 %	46.5 %	45.8 %	44.8 %
EBITDA margin	9.5 %	6.9 %	11.6 %	10.7 %	9.3 %
EBIT margin	-1.2 %	-4.4 %	1.5 %	0.9 %	3.0 %
Capital employed	198	255	136	339	308
Return on capital employed / ROCE	-0.9 %	-2.0 %	3.4 %	1.4 %	3.0 %
Balance sheet items					
Short-term receivables and stocks			51	59	144
Short-term interest-free debt (excl public debt and bank overdrafts)			33	36	-76
Fixed assets (tangible and intangible)			144	155	157

*) One-off items 2010 represent gain from divestment of Business Unit King Oscar (whereof reversal of hedging instruments amounts to NOK -4m).

Note on segments

Western Europe represents sales and production in Western European countries, as well as some export to overseas markets.

Central Europe (CE) represents sales and production in CE countries, as well as some export to overseas markets.

Russia / Other segments represent sales and production in Russia, the divested Business Unit King Oscar, in addition to unallocated group costs.

NOTES

Note 1 General information

Rieber & Søn is one of Norway's leading food groups. The main markets are the Nordic countries and Central Europe where the Group has considerable market shares. Rieber & Søn ASA is registered at Oslo stock exchange and the headquarters office is located in Bergen (Norway).

The interim financial report is in compliance with IAS 34 Interim Financial Reporting, and the same accounting policies and methods of computation are followed in the interim financial statements as compared with the the most recent annual financial statements. The figures in the interim financial statements are not audited.

Note 2 Transactions with related parties

The Group rents office premises from AS Inventor Eiendommer, which along with AS Atlantis Vest is part of the Bjarne Rieber Group. AS Atlantis Vest is the largest shareholder of Rieber & Søn ASA. At the end of third quarter 2011 rent of NOK 14.7m is included in the accounts (NOK 13.8m in 2010).

Note 3 Acquisition

Rieber & Søn ASA entered into an agreement to buy assets and liabilities from Lierne Bakeri AS, the acquisition date was 1 July 2011.

Total consideration is expected to be NOK 116m and will be settled in cash. The consideration consists of a fixed amount of NOK 68m and an earn-out of NOK 48m that will be paid out during the period from 2012 to 2014. The earn-out is calculated based on a model consisting of three mutual independent conditions: realization of targeted sales growth, production terms and efficiency improvements in production. There are specific earn-out amounts linked to each of these three conditions.

FAIR VALUE OF ASSETS, LIABILITIES AND GOODWILL OF LIERNE BAKERI

Figures in NOK m	At 01.07 2011
Intangible fixed assets	13
Tangible fixed assets	42
Financial assets	-
Total capital assets	55
Stocks	11
Total current assets	11
Total assets	66
Long-term interest-bearing debt	12
Total long-term debt	12
Other short-term debt	2
Total short-term debt	2
Total liabilities	14
Fair value of identifiable net assets acquired	52
Consideration	116
Fair value of identifiable net assets acquired	-66
Fair value of identifiable liabilities	14
Goodwill from acquisition	64

The opening balance and the purchase price allocation are preliminary. Independent fair value estimates on material assets are still not received and an audit is not done. The values may be reassessed based on improved knowledge in subsequent periods. Amendments will not be done later than 12 months from the date of acquisition.

Lierne Bakeri, situated in Lierne in Norway, produces griddle cakes and cakes, with Norway as their main market. From this acquisition Rieber & Søn ASA expect to achieve an increase of its margins, due to synergies within both sales and production.

Identifiable assets and liabilities amount to NOK 52m. Goodwill of NOK 64m arising from the acquisition consists largely of the synergies and economies of scale expected from combining the operations of Rieber & Søn ASA and Lierne Bakeri. Among other things this will be achieved by moving production of Vestlandslefsa to Lierne, and by moving the sales and distribution to Rieber & Søn ASA's existing operations.

The income, costs, assets and liabilities of the company are incorporated from 1 July 2011. This quarter Lierne Bakeri AS had net sales of NOK 27m and net profit before tax of NOK 4m. If the acquisition took place 1 January 2011 the Groups total revenue had increased by NOK 78m and net profit before tax would increase by NOK 4m.

Acquisition related expenses are marginal. It has mainly been used internal resources and costs have been expensed as incurred in the quarter.