



Interim Report 1 January - 31 March 2016

Juha Gröhn, CEO, 28 April 2016

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Atria Group 1 January - 31 March 2016

EUR million	Q1		2015
	2016	2015	
Net sales	314.5	314.5	1.340.1
EBIT	1.6	0.7	28.9
EBIT %	0.5 %	0.2 %	2.2 %
Profit before taxes	-0.3	-1.6	20.1
Earnings per share, €	-0.03	-0.07	0.49
Adjusted EBIT	1.6	0.7	36.1

- Atria Group's sales volumes increased, net sales remained steady.
- Comparable net sales increased by 2.5 per cent, when the businesses that were sold in 2015 are taken into account.
- The decline in sales prices due to price competition has weakened trends in net sales and EBIT.
- Improved cost-efficiency and a good sales structure at Atria Russia supported the growth in EBIT.
- Atria is expanding its poultry operations and has signed an agreement to purchase Lagerberg i Norjeby AB, a Swedish poultry business.

Atria Finland 1 Jan - 31 March 2016

EUR million	Q1		2015
	2016	2015	
Net sales	224.7	212.2	929.0
EBIT	1.7	1.9	29.8
EBIT %	0.8 %	0.9 %	3.2 %
Adjusted EBIT	1.7	1.9	29.8

- Atria Finland's net sales for January-March increased by EUR 12.5 million year-on-year.
- The increase in sales volumes enabled net sales to increase although sales prices decreased on home markets by an average of 5 per cent in comparison with the corresponding period last year. In some product categories the decrease in sales prices was even bigger.
- Atria's productivity improved.
- The new investment in the pig cutting plant in Nurmo is proceeding on schedule.
- Atria and Altia Plc have reached an agreement whereby Altia Plc's entire feed business was transferred to Atria as of 1 April 2016. Atria is solely responsible for processing the raw-material fractions that are produced as a result of Altia's starch and ethanol processes and are to make protein and fibre feeds for pigs and cattle.

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Atria Finland 1/2

- In the first quarter, the consumer market for the product groups represented by Atria expanded by more than 2 per cent measured by tax-inclusive prices in comparison with the corresponding period last year. The poultry (+7%), convenience food (+7%) and meat product groups (+1%) showed the largest increases. The number of kilograms of products sold showed strong growth (more than 4%) across all product groups.
- Atria strengthened its market position in the first quarter. Atria accounted for approximately 26 per cent of sales by value, a growth of approximately 1.5 percentage points in comparison with the corresponding period last year. (Source: Atria)



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Atria Finland 2/2

- In January, Atria Finland carried out a communication and advertising campaign related to meat traceability. The campaign became one of Atria's most visible campaigns. The campaign highlighted Atria Family Farm producers and their work on Family Farms.
- The producers contributed to the content of the campaign through means such as social media.
- The campaign significantly increased the traceability and reliability of information on the origin of meat.



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Atria Scandinavia 1 Jan - 31 March 2016

EUR million	Q1		2015
	2016	2015	
Net sales	75.7	85.2	330.5
EBIT	0.7	1.9	12.8
EBIT %	0.9 %	2.2 %	3.9 %
Adjusted EBIT	0.7	1.9	12.8

- Atria Scandinavia's net sales was on the same level as year-on-year. The figures for the comparison period include the divested cheese business, which had annual net sales of approximately EUR 50 million and EBIT of approximately EUR 3 million.
- In Sweden, demand for Swedish meat is growing and this has kept prices for Swedish beef and pork high by international standards. Atria was unable to pass on the increased raw material costs in full to sales prices. About 65 per cent of the meat raw material used by Atria is produced in Sweden.
- Atria is expanding its poultry operations and has signed an agreement to purchase Lagerberg i Norjeby AB, a Swedish poultry business. Lagerbergs is the third largest supplier on the Swedish chicken market. The company has a production plant and its own chicken-rearing facility in Blekinge, Southern Sweden.
- Atria's annual net sales are expected to grow by about EUR 30 million.
- The purchase price is approximately EUR 18 million and it will be paid in cash.
- On 1 April 2016 (after the period under review), the Swedish Competition Authority and Consumer Agency unconditionally approved the business transaction between Atria and Lagerbergs.

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Atria Scandinavia

- The total market for sausages in the Swedish retail trade grew slightly during the review period but the total market for cold cuts contracted slightly.
- Atria's market share in terms of value among manufacturers in the Swedish retail trade remained steady: it holds 18 per cent of the sausage market and 17 per cent of the market for cold cuts. (Source: AC Nielsen)
- In the Danish retail trade, Atria strengthened its position among cold cuts. (Source: AC Nielsen)
- Approximately 30 different projects were underway within the Atria's Handprint programme. A key focus during the review period was on projects related to ensuring occupational safety.



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Atria Russia 1 Jan - 31 March 2016

EUR million	Q1		2015
	2016	2015	
Net sales	13.6	15.8	75.1
EBIT	-0.7	-2.3	-0.2
EBIT %	-5.2 %	-14.4 %	-0.3 %
Non-recurring items:			
Sale of a subsidiary	-	-	1.9
Adjusted EBIT	-0.7	-2.3	-2.1

- Atria Russia's net sales for January-March amounted to EUR 13.6 million (EUR 15.8 million). Net sales in the local currency were at the same level as year-on-year. EBIT was EUR -0.7 million (EUR -2.3 million).
- The most significant reasons for the improved EBIT were a more efficient cost structure, a more profitable product selection and a bit lower raw material costs in comparison with the previous year.

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Atria Russia

- Retail sales in Russia decreased in the first quarter but the decline levelled off in comparison with the previous year.
- Inflation was between seven and nine per cent during the first quarter.
- Consumers' real earnings did not keep pace with inflation.
- The greatest uncertainty factors related to the economy are unstable exchange rates and fluctuating oil prices on global markets.



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Atria Baltic 1 Jan - 31 March 2016

EUR million	Q1		2015
	2016	2015	
Net sales	7.7	7.6	32.9
EBIT	-0.2	-0.1	-9.0
EBIT %	-2.4 %	-1.7 %	-27.3 %
Non-recurring items:			
Goodwill impairment	-	-	-9.1
Adjusted EBIT	-0.2	-0.1	0.1

- Atria Baltic's retail sales volumes showed positive development. Sales of fresh and marinated meat showed particularly strong improvement.
- EBIT for January-March was weakened by decreased sales prices due to an oversupply of meat.
- Atria will centralise its industrial operations in Estonia at the Valga factory. Production of meat products will be transferred from the Vastse-Kuuste factory to Valga.
- Production will be rearranged by the end of the second quarter. The measures are expected to generate annual savings of approximately EUR 0.5 million.

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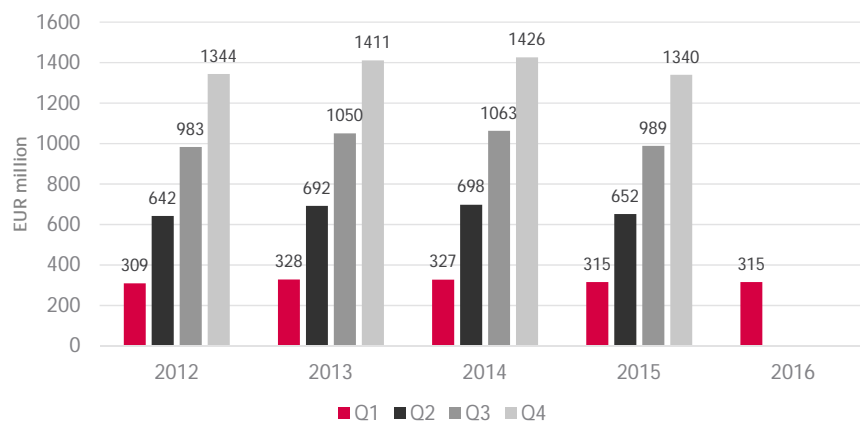
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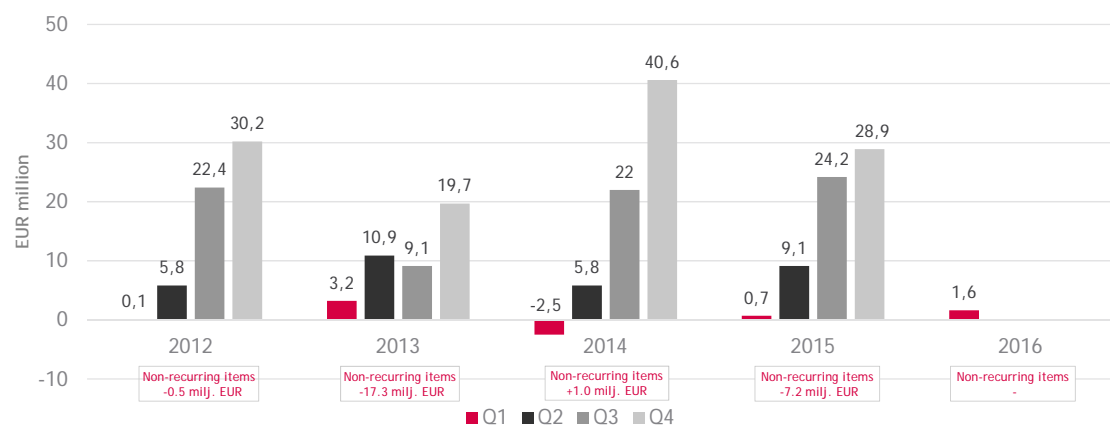
Financial development

- "In Finland in particular, pricing became a key competitive factor and served to weaken EBIT development."
(CEO Juha Gröhn)

Atria Group Net Sales cumulative, quarterly



Atria Group EBIT cumulative, quarterly



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Atria Group Financial indicators 1 Jan - 31 March 2016

EUR million	31 March 2016	31 March 2015	2015
Shareholder's equity per share, EUR	14.15	14.40	14.16
Interest-bearing liabilities	216.9	266.4	199.6
Equity ratio, %	47.2	44.3	47.4
Net gearing, %	53.1	64.0	48.3
Gross investments	10.3	9.5	56.9
Gross investments, % of net sales	3.3	3.0	4.2
Average number of employees	4.213	4.382	4.271

- During the period under review, the Group's free cash flow (operating cash flow - cash flow from investments) was EUR -19.0 million (EUR -12.8 million).
- Interest-bearing net liabilities amounted to EUR 214.8 million (31 December 2015: EUR 195.5 million).
- In the first quarter, translation differences recognised in equity had an effect of EUR +1.9 million (EUR +7.6 million) due to the strengthening of the rouble.
- On 31 March 2016, the Group had undrawn committed credit facilities worth EUR 100.0 million (31 December 2015: EUR 125.0 million). The average maturity of loans and committed credit facilities at the end of the period under review was 2 years 10 months (31 December 2015: 3 years 1 month).

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Atria Group Income Statement

EUR million	Q1 2016	Q1 2015	Q1-Q4 2015
NET SALES	314.5	314.5	1.340.2
Cost of goods sold	-281.1	-282.5	-1 176.9
GROSS PROFIT	33.4	32.0	163.3
% of Net sales	10.6	10.2	12.2
Other income	0.5	0.7	5.5
Other expences	-32.3	-32.0	-139.9
EBIT	1.6	0.7	28.9
% of Net sales	0.5	0.2	2.2
Financial income and expences	-1.4	-2.3	-9.2
Income from joint-ventures and associates	-0.5	0.0	0.4
PROFIT BEFORE TAXES	-0.3	-1.6	20.1
Income taxes	-0.5	-0.4	-5.5
PROFIT FOR THE PERIOD	-0.8	-2.0	14.6
% of Net sales	-0.3	-0.6	1.1
Earnings/share, €	-0.03	-0.07	0.49

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Atria Group Cash flow statement

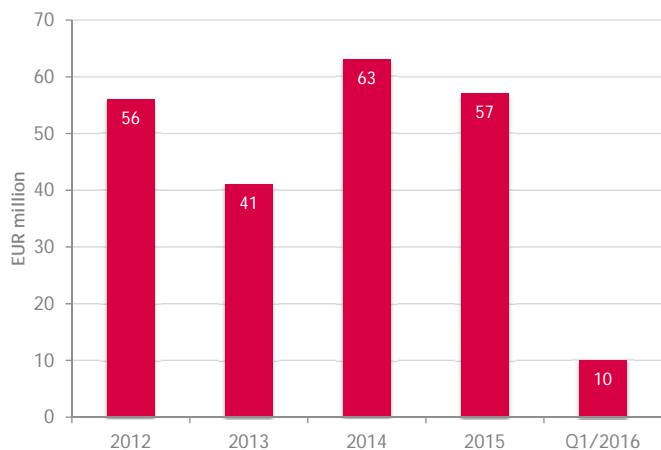
EUR million	Q1 2016	Q1 2015	Q1-Q4 2015
Cash flow from operating activities	-6.1	-5.2	96.4
Financial items and taxes	-2.8	1.6	-8.2
NET CASH FLOW FROM OPERATING ACTIVITIES	-8.9	-3.6	88.2
Investing activities, tangible and intangible assets	-10.2	-8.9	-50.2
Acquired operations	-	-	-5.5
Sold operations	-	-	33.7
Change in non-current receivables	0.7	0.1	0.2
Dividends received from investments	0.1	-	0.6
Change in other investments	-0.8	-0.5	-1.1
NET CASH USED IN INVESTING ACTIVITIES	-10.0	-9.2	-22.3
FREE CASH FLOW	-19.0	-12.8	65.9
Changes in interest-bearing liabilities	17.5	12.6	-54.9
Dividends paid	-	-	-11.3
NET CASH USED IN FINANCING ACTIVITIES	17.5	12.6	-66.2
CHANGE IN LIQUID FUNDS	-1.5	-0.2	-0.3

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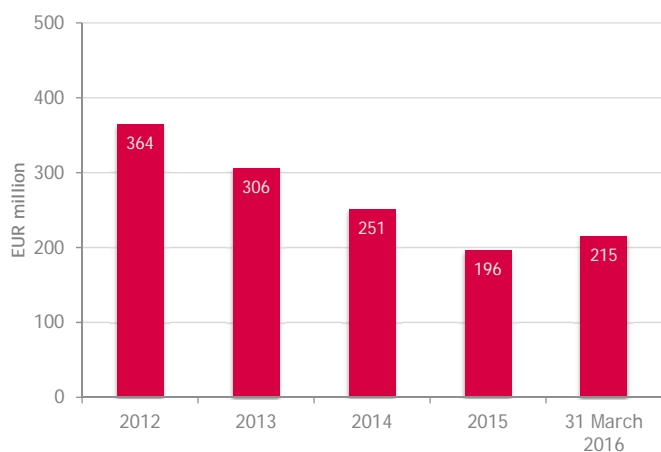
Atria Group investment



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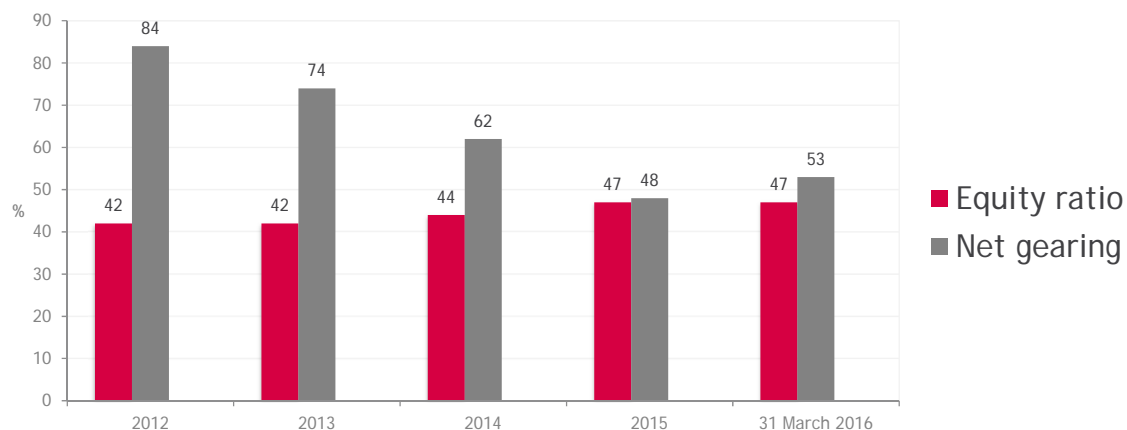
Atria Group Net debts



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Atria Group Equity ratio & Net gearing



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Events after the period under review

- On 1 April 2016, the Swedish Competition Authority unconditionally approved Atria's acquisition of the entire share capital of Lagerberg i Norjeby AB, a Swedish poultry company.
- The parties confirmed the deal in April, and the operations will be consolidated into Atria from the beginning of May.
- The purchase price is approximately EUR 18 million and it will be paid in cash.
- Atria's annual net sales are expected to grow by about EUR 30 million.

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Business risks in the period under review and short-term risks

- Unplanned and unforeseen incidents related to the quality and safety of raw materials and products in any part of the chain, from primary production to consumption, constitute a potential risk to Atria's operations. African swine fever continues to cause disruption in Estonia. It has a high risk of spreading. Atria has introduced several precautions in order to prevent the disease from spreading into its production facilities, and is thereby managing the existing risk.
- Shifts in the balance between meat supply and demand in the global meat market pose a risk to Atria's business. Atria estimates that no significant changes have occurred in the uncertainties of the meat market compared to the situation described in the Annual Report 2015. Atria's exposure to the volatility of the Russian rouble and to the effects of Russia's import ban on EU meat continues. Additionally, weakening consumer purchasing power in Russia represents a risk in terms of net sales and EBIT trends.

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Outlook for the future

- Consolidated EBIT was EUR 28.9 million in 2015. In 2016, EBIT is expected to be better than in 2015.
- In 2016, net sales are expected to grow.

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Board of Director's proposal for profit distribution

- The Board of Directors proposes that a dividend of EUR 0.40 be paid for each share for the financial year 2015.

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Thank you

- Q2/2016 will be published on 21 July 2016