



Atria Plc
Interim Report
1 January – 30 June 2013

CEO
Juha Gröhn
25 July 2013

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Atria Group Review Q2/2013

EUR million	Q2 2013	Q2 2012	H1 2013	H1 2012	2012
Net sales	363.6	333.3	692.0	641.8	1,343.6
EBIT	7.7	5.7	10.9	5.8	30.2
EBIT %	2.1	1.7	1.6	0.9	2.2
Profit before taxes	4.1	2.8	4.8	-0.2	18.9
Earnings per share, €	0.10	0.05	0.06	-0.14	0.35
Extraordinary items*	0.0	0.0	1.1	0.0	-0.5

* Extraordinary items are included in the reported figures.

1 January – 30 June 2013

- Consolidated EBIT was EUR 10.9 million (EUR 5.8 million).
- Atria Finland's EBIT was EUR 14.1 million (EUR 13.0 million).
- Atria Scandinavia's EBIT was EUR 1.8 million (EUR 1.9 million).
- Atria Russia's EBIT was EUR -2.8 million (EUR -5.3 million).
- Atria Baltic's EBIT was EUR -0.4 million (EUR -0.9 million).
- The Group's equity ratio was 40.6 per cent (31 December 2012: 41.5 %).

1 April – 30 June 2013

- Atria Finland's net sales totalled EUR 230.9 million (EUR 204.6 million), up by EUR 26.3 million year-on-year.
- Atria Russia's net sales totalled EUR 0.4 million (EUR -2.0 million), up by EUR 2.4 million year-on-year.

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Atria Finland Review Q2/2013

EUR million	Q2 2013	Q2 2012	H1 2013	H1 2012	2012
Net sales	230.9	204.6	436.0	393.0	819.5
EBIT	7.4	7.8	14.1	13.0	36.5
EBIT %	3.2	3.8	3.2	3.3	4.5
Extraordinary items*	0.0	0.0	1.1	0.0	-0.5

*Extraordinary items are included in the reported figures.

- **Atria Finland's** net sales for January–June increased by EUR 43.0 million.
- EBIT was EUR 14.1 million (EUR 13.0 million).
- EBIT includes a non-recurring profit of EUR 1.1 million resulting from a reversal of impairment on a property that had been for sale in Forssa.
- Net sales and market share strengthened significantly during the period under review in both retail trade and the Food Service market.
- The high price of domestic meat raw material and the decrease in export prices due to the weakening of the global meat market weighed down the growth in EBIT.

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Atria Finland



- According to Atria's own estimate, its market share in retail trade was approximately 28 per cent.
- Atria Finland launched a programme to improve the profitability of convenience food production. The company decided to transfer convenience food production from Karkkila to the Nurmo plant. The Karkkila production plant will be closed down by the end of October.
- Atria was the first in its field to introduce farm-specific traceability for beef, pork and chicken products. Food traceability is an important purchasing criterion, and Atria succeeded in strengthening its market share significantly in 2013.

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Atria Scandinavia

Review Q2/2013

EUR million	Q2 2013	Q2 2012	H1 2013	H1 2012	2012
Net sales	98.1	95.0	192.3	184.5	387.8
EBIT	1.8	1.8	1.8	1.9	8.2
EBIT %	1.8	1.9	0.9	1.1	2.1
Extraordinary items*	0.0	0.0	0.0	0.0	0.0

*Extraordinary items are included in the reported figures.

- **Atria Scandinavia's** net sales for January–June totalled EUR 192.3 million (EUR 184.5 million). In the local currency, net sales grew by 1.2 per cent year-on-year.
- EBIT for January–June was EUR 1.8 million (EUR 1.9 million).
- The high prices of meat raw material and the increased marketing efforts weighed down EBIT development. The development of net sales was affected by the intensification of competition with retailers' private labels.

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Atria Scandinavia



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- In the first half of the year, the share of private labels in the sales of Swedish retail trade grew strongly in the product groups represented by Atria (AC Nielsen).
- In the competition against other branded products, Atria strengthened its position in both cold cuts and cooking sausages.
- In the first half of the year, the company increased its marketing efforts to support e.g. the successful launch of the Lithells Världskorv product concept.
- The 3-Stjernet cold cuts are still the market leader in their category in the Danish market.

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Atria Russia Review Q2/2013

EUR million	Q2 2013	Q2 2012	H1 2013	H1 2012	2012
Net sales	31.5	31.3	58.9	59.6	126.3
EBIT	0.4	-2.0	-2.8	-5.3	-8.6
EBIT %	1.2	-6.4	-4.7	-9.0	-6.8
Extraordinary items*	0.0	0.0	0.0	0.0	0.0

*Extraordinary items are included in the reported figures.

- **Atria Russia's** net sales for January–June totalled EUR 58.9 million (EUR 59.6 million). EBIT for January–June was EUR -2.8 million (EUR -5.3 million), up by EUR 2.5 million year-on-year.
- EBIT for April–June was EUR 0.4 million (EUR -2.0 million), up by EUR 2.4 million year-on-year.
- The result for industrial operations improved considerably and the launched efficiency improvement measures generated the planned profits. The weakening of primary production profitability, which started at the end of last year, weighed down first-half profits.

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Atria Russia



- Atria estimates that its market share has remained stable in St Petersburg, where it is the market leader in the product groups it represents.
- In the Moscow market, major investments are being made in increasing the sales of selected products.
- The productivity improvement projects will continue at the Gorelovo and Sinyavino plants in St Petersburg. The previous projects have been realized as planned.

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Overview of the consumer goods markets

Top 10 European markets 2012

Rank	Country	Grocery retail market (US \$bn)
1	Russia	314.1
2	France	238.7
3	Germany	271.1
4	United Kingdom	242.7
5	Italy	165.3
6	Spain	121.8
7	Turkey	87.0
8	Switzerland	59.6
9	Poland	48.6
10	Belgium	46.4

Top 10 global markets 2012

Rank	Country	Grocery retail market (US \$bn)
1	China	1,082.3
2	USA	940.3
3	Japan	408.3
4	India	375.2
5	Brazil	329.5
6	Russia	314.1
7	France	283.7
8	Germany	271.1
9	United Kingdom	242.7
10	Indonesia	168.4

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Source: IGD Datacentre

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Atria Baltic Review Q2/2013

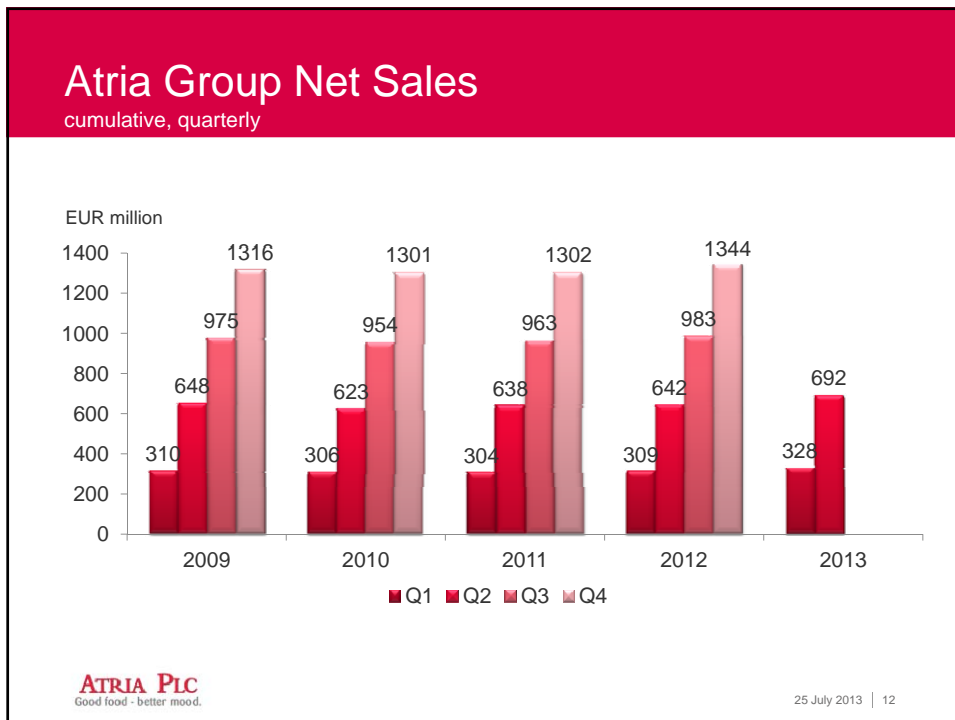
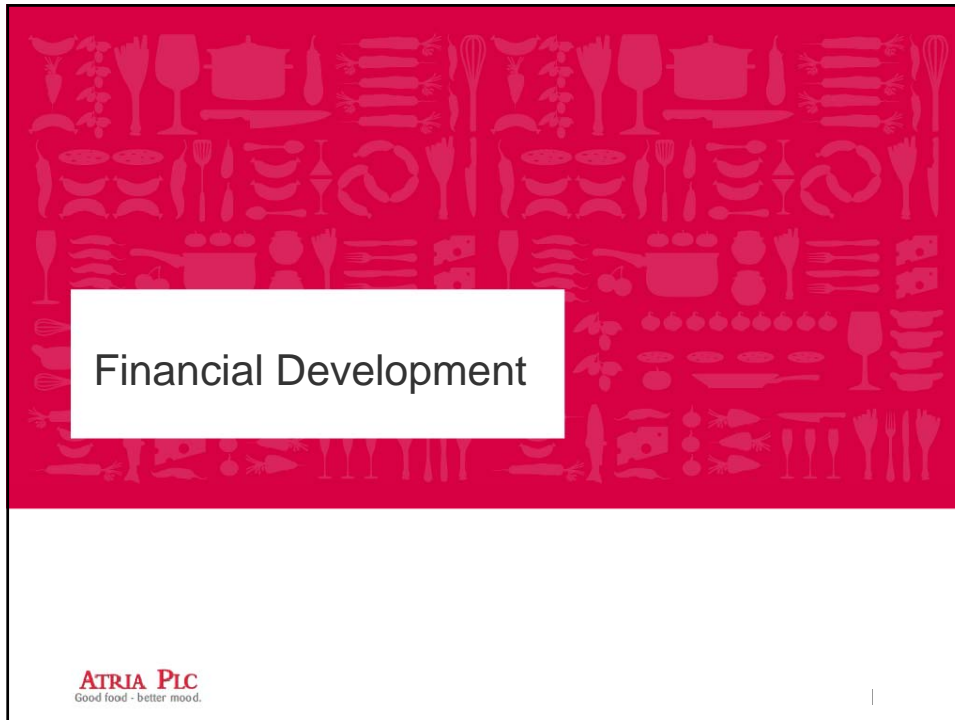
EUR million	Q2 2013	Q2 2012	H1 2013	H1 2012	2012
Net sales	9.3	9.1	16.6	17.0	34.2
EBIT	0.0	-0.4	-0.4	-0.9	-1.5
EBIT %	-0.2	-4.3	-2.2	-5.4	-4.4
Extraordinary items*	0.0	0.0	0.0	0.0	0.0

*Extraordinary items are included in the reported figures.

- **Atria Baltic's** net sales for January–June totalled EUR 16.6 million (EUR 17.0 million). EBIT for January–June was EUR -0.4 million (EUR -0.9 million).
- Net sales for April–June totalled EUR 9.3 million (EUR 9.1 million). EBIT was EUR 0.0 million (EUR -0.4 million).
- EBIT improved as sales became more focused on the retail trade. Market share increased, especially in cold cuts (AC Nielsen).
- The development of net sales was weighed down by lower primary production sales and by the discontinuation of exports to Russia. The Tartu logistics centre was closed down and operations were transferred to the Valga plant.

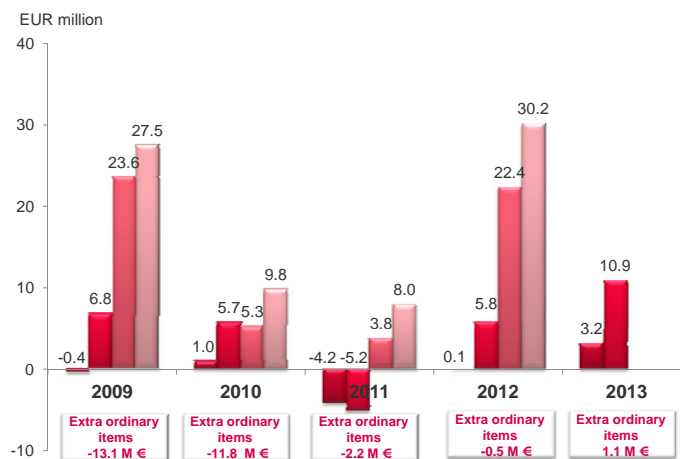
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Atria Group EBIT

cumulative, quarterly



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Atria Group Financial indicators

EUR million	30.6.2013	30.6.2012	31.12.2012
Shareholders' equity per share, EUR	14.78	14.59	15.15
Interest-bearing liabilities	382.6	425.1	370.5
Equity ratio, %	40.6	39.1	41.5
Gearing, %	90.8	102.3	85.9
Net gearing, %	86.5	101.0	84.3
Gross investments in fixed assets	20.7	25.7	56.2
Gross investments, % of net sales	3.0	4.0	4.2
Average number of employees	4,749	5,038	4,898

- In March Atria issued a fixed-interest bond worth EUR 50 million.
- In June Atria refinanced a committed credit facility of EUR 50 million due in September 2015. The maturity of the new credit facility is five years.
- On 30 June 2013, the amount of the Group's undrawn committed credit facilities stood at EUR 197.8 million (31 December 2012: EUR 153 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 2012: 2 years 10 months).

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Atria Group Income Statement

EUR million	Q2 2013	Q2 2012	H1 2013	H1 2012	2012
NET SALES	363.6	333.3	692.0	641.8	1,343.6
Cost of goods sold	-318.0	-290.4	-609.8	-565.7	-1,172.5
GROSS PROFIT	45.6	42.9	82.1	76.1	171.1
% of Net sales	12.5	12.9	11.9	11.9	12.7
Other income	0.6	0.6	2.2	1.2	3.8
Other expenses	-38.5	-37.9	-73.4	-71.5	-144.7
EBIT	7.7	5.7	10.9	5.8	30.2
% of Net sales	2.1	1.7	1.6	0.9	2.2
Financial income and expenses	-4.1	-3.8	-7.6	-7.3	-14.7
Income from joint-ventures and associates	0.5	0.9	1.5	1.3	3.4
PROFIT BEFORE TAXES	4.1	2.8	4.8	-0.2	18.9
Income taxes	-1.3	-1.5	-2.9	-3.8	-8.8
PROFIT FOR THE PERIOD	2.8	1.3	1.9	-4.0	10.1
% of Net sales	0.8	0.4	0.3	-0.6	0.7
Earnings/share, €	0.10	0.05	0.06	-0.14	0.35

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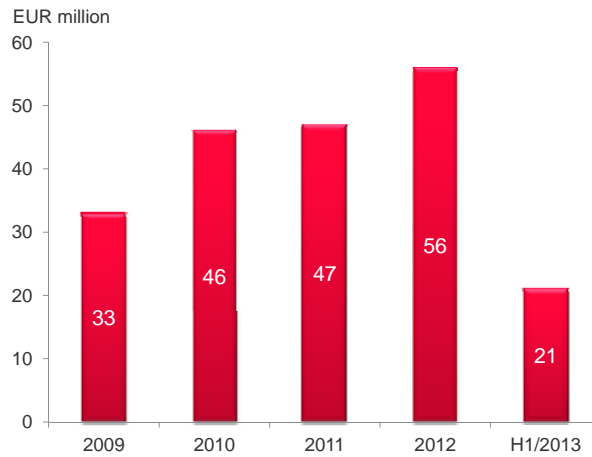
Atria Group Cash flow statement

EUR million	H1 2013	H1 2012	2012
Cash flow from operating activities	29.3	17.3	119.2
Financial items and taxes	-12.4	-4.6	-19.6
Net cash flow from operating activities	16.9	12.7	99.6
Investing activities, tangible and intangible assets	-19.7	-24.6	-50.4
Acquired subsidiary shares			-1.8
Change in non-current receivables	-0.2	1.1	0.9
Investments	1.9	1.1	1.4
Net cash used in investing activities	-17.9	-22.3	-50.0
FREE CASH FLOW	-1.0	-9.6	49.7
Proceeds from non-current borrowings	50.0	30.0	50.0
Repayments of non-current loans and changes in current loans	-30.9	-16.3	-94.6
Dividends paid	-6.2	-5.6	-5.6
Net cash used in financing activities	12.9	8.1	-50.2
CHANGE IN LIQUID FUNDS	11.9	-1.5	-0.6

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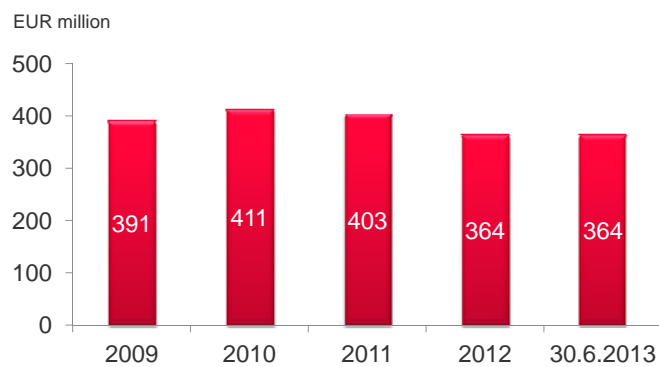
Atria Group Gross investments



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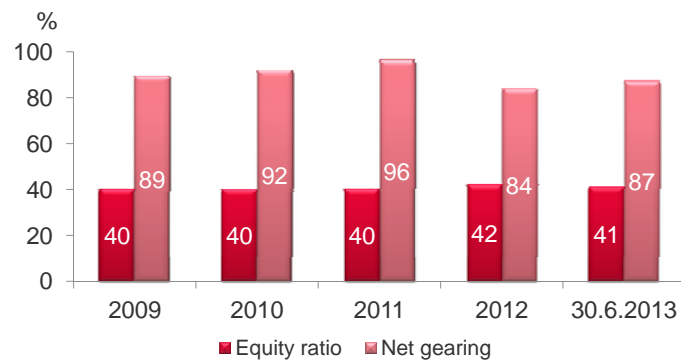
Atria Group Net debts



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Atria Group Equity ratio & Net gearing



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Events occurring after the period

- Atria Plc and Saarioinen Oy have signed a preliminary agreement according to which Atria will purchase Saarioinen's
 - procurement, slaughtering and cutting operations for beef, pork and chicken
 - chicken production machinery and equipment
 - chicken production building and site in Sahalahti (Kangasala)
 - **Jyväbroiler** brand
 - machinery and equipment in the Jyväskylä slaughterhouse
- In connection with the deal, Atria and Saarioinen will sign an agreement concerning meat deliveries from Atria to Saarioinen.
- The deal will increase Atria's cost-efficiency in meat procurement as well as in slaughtering and cutting operations.
- The personnel of Saarioinen's procurement, slaughtering and cutting operations (400 people) will move to Atria as continuing employees, and Atria will continue its industrial operations in Jyväskylä and Sahalahti.
- Atria's net sales are expected to grow by about EUR 70 million annually. It is estimated that the deal will be finalised during the first quarter of 2014 at the latest.
- The deal is subject to the approval of the Finnish Competition and Consumer Authority.

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Outlook for the future

- Consolidated EBIT was EUR 30.2 million in 2012. In 2013, it is expected to be higher.
- Growth in net sales is expected for 2013.

The Atria logo features the word "Atria" in a red, cursive-style font with a registered trademark symbol (®) to the upper right. A green swoosh underline is positioned beneath the letters.

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