Atria Plc

Half-year financial report

1 January – 30 June 2018

ATRIA

Good food – better mood.

ATRIA PLC HALF-YEAR FINANCIAL REPORT 1 JANUARY - 30 JUNE 2018

Atria Group's net sales stable, profits weakened

April–June 2018

– Consolidated net sales totalled EUR 359.1 million (EUR 368.4 million).
– Consolidated EBIT was EUR 5.4 million (EUR 10.0 million), or 1.5% (2.7%) of net sales.
– The weakened Swedish krona and Russian rouble brought down the Group's net sales in the second quarter.
– Atria Plc lowered its EBIT and net sales forecast for 2018 after the end of the review period. The full-year EBIT of the Group is expected be lower than EBIT in 2017. Net sales are expected to remain at the 2017 level.

January–June 2018

- Consolidated net sales totalled EUR 704.6 million (EUR 701.0 million).
- Consolidated EBIT was EUR 8.8 million (EUR 11.2 million), which is 1.3 per cent (1.6%) of net sales.
- The Group's net sales were brought down by weakened exchange rates.
- Atria Finland's net sales and EBIT increased.
- Atria Sweden's weak EBIT reduced the Group's EBIT.

	Q2	Q2	H1	H1	
EUR million	**2018**	**2017**	**2018**	**2017**	**2017**
Net sales					
Atria Finland	254.9	252.4	500.5	480.6	986.4
Atria Sweden	71.7	78.4	141.3	151.0	307.2
Atria Denmark&Estonia	24.3	25.2	47.4	48.6	98.9
Atria Russia	18.5	22.9	35.8	41.6	85.7
Eliminations	-10.3	-10.5	-20.4	-20.8	-42.0
Total net sales	**359.1**	**368.4**	**704.6**	**701.0**	**1,436.2**
EBIT					
Atria Finland	6.9	7.7	13.6	11.8	36.3
Atria Sweden	-1.8	0.9	-5.0	0.3	2.4
Atria Denmark&Estonia	1.4	1.3	2.7	2.4	5.2
Atria Russia	-0.1	0.5	-0.7	-1.2	0.8
Unallocated	-1.0	-0.4	-1.7	-2.0	-3.7
EBIT, total	**5.4**	**10.0**	**8.8**	**11.2**	**40.9**
EBIT%	**1.5 %**	**2.7 %**	**1.3 %**	**1.6 %**	**2.8 %**
Profit before taxes	**3.9**	**8.3**	**5.1**	**9.1**	**35.5**
Earnings per share, EUR	**0.15**	**0.23**	**0.16**	**0.21**	**0.92**
Items affecting comparability of EBIT:					
Divestment of subsidiary	-	-	-	-	1.4
Adjusted EBIT	**5.4**	**10.0**	**8.8**	**11.2**	**39.6**

Juha Gröhn, CEO

"The sales of barbeque products went well, but this was not enough to increase our net sales. The profits for the second quarter fell short of expectations. All business areas are working hard to improve cost control. Measures to continuously improve productivity and to manage pricing have been intensified.

The half-year review indicates better profit level to Finland, although profits weakened slightly in the second quarter year-on-year.

The profits of the Denmark&Estonia business area were good. In Denmark, sales have been somewhat slow. Estonia's business has been stable in terms of performance, growth and operations.

In Russia, the competition on St Petersburg meat products market has intensified and the increase in raw material prices during the spring have squeezed our margins. The sales of Sibylla products is growing and profitability is good.

Sweden's profits were poor. Sales was short of target and high raw material costs weakened profitability. The machinery installations of the poultry plant investment programme are being finalised and the commissioning continues as planned. Early in the year, poultry operations were strained by a sluggish poultry market and the commissioning costs of the new technology. During the second quarter, the poultry market situation in Sweden began to improve and Atria's production processes of poultry became more effective."

April–June 2018

Atria Group's net sales for April–June totalled EUR 359.1 million (EUR 368.4 million). EBIT amounted to EUR 5.4 million (EUR 10.0 million). The net sales of Atria Finland grew by EUR 2.5 million from the previous year. Sales to retail and Food Service customers increased. Atria Sweden's net sales were reduced by the weak Swedish krona, the divestment of the Nordic Fast Food business operations in December 2017, and the decrease of sales to retail. Similarly, the decrease in net sales of Atria Russia was caused by weakening exchange rates and decreased sales to retail.

The profits of Atria Finland, Sweden and Russia were burdened by increased costs. The profitability of Atria Sweden's poultry operations weakened due to the price pressure caused by the sluggishness in the market at the beginning of the year and an unfavourable sales structure.

Atria's Finnish grass-fed beef sirloin steak was selected world's best steak in the fourth annual World Steak Challenge competition held in London in July. Atria's Danish partner, JN Meat International, participated in the competition with Atria's beef products and won in as many as four categories out of six.

January–June 2018

Atria Group's net sales for January–June totalled EUR 704.6 million (EUR 701.0 million). EBIT amounted to EUR 8.8 million (EUR 11.2 million). The Group's net sales were strengthened by Atria Finland's increased sales at the beginning of the year. The weakened Swedish krona and Russian rouble brought down the Group's net sales in January–June.

The Group's EBIT weakened from the previous year. The EBIT of Atria Finland, Russia, and Denmark&Estonia improved. In Sweden, EBIT was weighed down by the poor profitability of poultry operations, the weakened krona, and increased raw material costs.

Atria Group's operational structure and financial reporting were altered as of the beginning of 2018. Atria Group's reporting segments are as follows: Atria Finland, Atria Sweden, Atria Russia, and Atria Denmark&Estonia. Changes were made to Atria Plc's Management Team as of 1 January 2018. Atria Group's Management Team:
- Juha Gröhn, CEO
- Tomas Back, CFO, Executive Vice President and Deputy CEO
- Mika Ala-Fossi, Executive Vice President, Atria Finland
- Jarmo Lindholm, Executive Vice President, Atria Sweden
- Ilari Hyyrynen, Executive Vice President, Atria Russia (as of 9 July 2018)
- Olle Horm, Executive Vice President, Atria Estonia
- Lars Ohlin, Executive Vice President Human Resources
- Pasi Luostarinen, Executive Vice President Marketing & Market Insight

Atria Group's corporate responsibility projects proceeded according to plan during the review period. The Atria Way of Leading training programme and the Safely Home From Atria occupational safety programme were implemented in all business areas. The construction of Atria Finland's solar power plant continued, and in February the company launched its antibiotic-free pork products.

Key indicators **EUR million**	**30.6.18**	**30.6.17**	**31.12.17**
Shareholders´ equity per share EUR	14.35	14.17	14.81
Interest-bearing liabilities	251.4	251.2	214.3
Equity ratio, %	45.4 %	45.0 %	47.5 %
Net gearing, %	59.7 %	59.6 %	49.0 %
Gross investments in fixed assets	24.1	24.9	53.9
% of net sales	3.4 %	3.6 %	3.8 %
Average FTE	4,500	4,505	4,449

The principles for calculating indicators are presented at the end of the report.

Business development by area January-June 2018

Atria Finland

EUR million	Q2 2018	Q2 2017	H1 2018	H1 2017	2017
Net sales	254.9	252.4	500.5	480.6	986.4
EBIT	6.9	7.7	13.6	11.8	36.3
EBIT, %	2.7 %	3.1 %	2.7 %	2.5 %	3.7 %
Items affecting comparability	-	-	-	-	-
Adjusted EBIT	6.9	7.7	13.6	11.8	36.3

Atria Finland's net sales for April–June totalled EUR 254.9 million (EUR 252.4 million). Net sales increased by EUR 2.5 million. Sales to retail and Food Service customers increased. EBIT amounted to EUR 6.9 million (EUR 7.7 million). EBIT was brought down by increased costs.

Net sales for January–June totalled EUR 500.5 million (EUR 480.6 million). Sales to retail and Food Service customers were up from the year before. EBIT amounted to EUR 13.6 million (EUR 11.8 million). The sales structure was better than during the corresponding period last year.

During the first quarter of the year, the sales of meat, poultry, meat products and convenience food in Finnish retail grew by approx. 5 per cent year-on-year. Atria's sales to retail increased faster than the total market and especially the sales trends of Atria's brand products have been strong during the beginning of the year. Atria’s supplier share at the beginning of the year was 25 per cent. Atria continues as the market leader in the poultry market with a market share of approximately 50 per cent. (Source: Atria)

Finland's Food Service market grew by approximately 3 per cent during the first half of the year. Atria's sales increased faster than the market, and Atria’s supplier share in the Food Service market was approx. 23 per cent. (Source: Atria)

Atria's Finnish grass-fed beef sirloin steak was selected world's best steak in the fourth annual World Steak Challenge competition held in London in July. Atria's Danish partner, JN Meat International, participated in the competition with Atria's beef products and came first place in as many as four categories out of six.

In February, Atria launched the antibiotic-free pork. All pork from Atria Family Farms is from pigs that have been reared entirely without antibiotics. The name of the Family Farm printed on the product package traces the origin of the meat all the way back to the farm.

The construction work at Atria's solar power park continued in April. Together with Solarigo Systems Oy, Atria is building the largest solar power park in Finland at Atria's Nurmo production plant. The construction of the first phase of the project, partly financed by the Finnish Ministry of Economic Affairs and Employment, started at the beginning of June 2017. The solar power park is estimated to be fully ready for commissioning in autumn 2018. Over 24,000 solar panels will be installed on roofs and at ground level on the factory site and they will generate 5,600 MWh of electricity annually.

Atria Sweden

	Q2	Q2	H1	H1	
EUR million	**2018**	**2017**	**2018**	**2017**	**2017**
Net sales	71.7	78.4	141.3	151.0	307.2
EBIT	-1.8	0.9	-5.0	0.3	2.4
EBIT, %	-2.5 %	1.2 %	-3.6 %	0.2 %	0.8 %
Items affecting comparability:					
Divestment of subsidiary	-	-	-	-	1.4
Adjusted EBIT	-1.8	0.9	-5.0	0.3	1.0

Atria Sweden's net sales for April–June totalled EUR 71.7 million (EUR 78.4 million). EBIT was EUR -1.8 million (EUR 0.9 million). Net sales were brought down by the weakened Swedish krona and decreased sales to retail. EBIT was reduced by increased raw material costs. The weakened Swedish krona increased especially costs of imported raw materials. The profitability of poultry operations weakened due to the price pressure caused by the sluggishness in the market at the beginning of the year and an unfavourable sales structure. The profits were also burdened by the commissioning costs of the new technology at the poultry plant.

Net sales for January–June totalled EUR 141.3 million (EUR 151.0 million). EBIT was EUR -5.0 million (EUR 0.3 million). The decrease in net sales was caused by the weak Swedish krona and the divestment of Nordic Fast Food business operations in December 2017. Profits were brought down by increased raw material costs, the poor profitability of poultry operations, and employee arrangements at the beginning of the year.

During the second quarter, the commissioning of the renewed poultry plant continued according to plan. The commissioning of the new production facilities will continue in the third quarter. The Swedish poultry market is recovering from the market disturbances last year and demand turned positive during the second quarter.

Atria Sweden’s supplier share in cold cuts and cooking sausages remains stable. The supplier share of poultry products in retail trade improved year-on-year.

Atria launched several new products during the period under review. For example, the sales of chicken cold cuts under the Lönneberga brand and the sales of the new Lithells and Lagerbergs barbeque products got off to a good start. New packaging innovations were presented in packaging for cold cuts and cooking sausages.

Atria Denmark&Estonia

EUR million	Q2 2018	Q2 2017	H1 2018	H1 2017	2017
Net sales	24.3	25.2	47.4	48.6	98.9
EBIT	1.4	1.3	2.7	2.4	5.2
EBIT, %	5.6 %	5.0 %	5.6 %	5.0 %	5.2 %
Items affecting comparability	-	-	-	-	-
Adjusted EBIT	1.4	1.3	2.7	2.4	5.2

Atria Denmark&Estonia's net sales for April–June totalled EUR 24.3 million (EUR 25.2 million). EBIT amounted to EUR 1.4 million (EUR 1.3 million).

Net sales for January–June totalled EUR 47.4 million (EUR 48.6 million). EBIT amounted to EUR 2.7 million (EUR 2.4 million). Atria Estonia's sales to retail increased throughout the first half of the year. In Denmark, sales have decreased slightly. EBIT increased slightly thanks to good cost management and a favourable sales structure.

In Denmark, the sales of Aalbaek organic cold cuts has improved in all product categories. In Estonia, the sales of new products for the summer season has started well.

Atria Russia

EUR million	Q2 2018	Q2 2017	H1 2018	H1 2017	2017
Net sales	18.5	22.9	35.8	41.6	85.7
EBIT	-0.1	0.5	-0.7	-1.2	0.8
EBIT, %	-0.3 %	2.2 %	-1.9 %	-2.9 %	0.9 %
Items affecting comparability	-	-	-	-	-
Adjusted EBIT	-0.1	0.5	-0.7	-1.2	0.8

Atria Russia's net sales for April–June totalled EUR 18.5 million (EUR 22.9 million). EBIT was EUR -0.1 million (EUR 0.5 million). The decrease in net sales was caused by the weakening of the Russian rouble and decreased sales to retail. Sales of Sibylla and Food Service products increased year-on-year. EBIT was brought down by decreased sales volumes to retail and increased raw material prices.

Net sales for January–June totalled EUR 35.8 million (EUR 41.6 million). EBIT was EUR -0.7 million (EUR -1.2 million). The decrease in net sales was caused by the weakening of the rouble and decreased sales to retail. EBIT was better than during the corresponding period last year thanks to improved sales structure and good cost efficiency.

The repairs and investment project initiated in the Sinyavino meat production plant has progressed according to plan. The total value of the project is EUR 0.8 million. The project will be completed by the end of August 2018.

Ilari Hyyrynen started as Director of the Atria Russia business area on 9 July 2018.

Personnel by Business Area (FTE)	H1 2018	H1 2017	2017
Atria Finland	2,337	2,331	2,314
Atria Sweden	865	858	846
Atria Denmark&Estonia	428	435	429
Atria Russia	870	881	860
Total	4,500	4,505	4,449

Financial position and taxes

During the period under review, the Group’s free cash flow (operating cash flow - cash flow from investments) was EUR -25.5 million (EUR -20.5 million). Operating cash flow was EUR -1.9 million (EUR 1.2 million), and the cash flow from investments was EUR -23.6 million (EUR -21.8 million). Operating cash flow was weakened by an increase in working capital items.

The Group’s investments during the period totalled EUR 24.1 million (EUR 24.9 million).

The equity ratio was 45.4 per cent (31 December 2017: 47,5 %). The total translation differences with the Swedish krona and the Russian rouble recognised in equity decreased equity by EUR 6.8 million (EUR -2.7 million) in January-June. Interest-bearing net liabilities amounted to EUR 249.5 million (31 December 2017: EUR 211.1 million). On 30 June 2018, the Group had undrawn committed credit facilities worth EUR 85.0 million (31 December 2017: EUR 105.0 million). In May, the company reduced its superfluous EUR 50 million committed credit facility by EUR 20 million, the new amount at the end of the review period being EUR 30 million. The average maturity of loans and committed credit facilities at the end of the period under review was 3 years 1 month (31 December 2017: 3 years 4 months).

Sweden's gradually changing corporate tax rates have been taken into consideration in the deferred tax.

Events after the period under review

Atria Plc lowered its EBIT and net sales forecast for 2018. The company predicts the full-year EBIT of the Group to be lower than EBIT in 2017. Net sales are expected to remain at the 2017 level.

According to Atria’s earlier forecast, "The Group’s EBIT was EUR 40.9 million in 2017. In 2018, EBIT is expected to be better than in 2017. In 2018, net sales are expected to grow."

The reason for the adjustment of the EBIT forecast is Atria's Sweden's profits during the beginning of the year, which were weaker than expected. The weakened Swedish krona and Russian rouble are weakening the Group’s net sales.

Business risks in the review period and short-term risks

Incidents related to the quality and safety of raw materials and products in any part of the chain, from primary production to consumption, are ordinary short-term risks in Atria's business environment. Price trends for raw materials, the general economic climate, market development and competitors' operations can give rise to uncertainty in terms of trends in the demand for Atria's products.

Other potential short-term uncertainties in Atria's operations are related to implementing the strategy and maintaining or improving the financial results of business areas. African swine fever continues to cause disruption in Estonia. There is a risk of it spreading to Finland. Atria has taken several precautionary measures to prevent the disease from spreading into its production facilities, and strives to manage the risk.

Changes in the value of the Russian rouble and the Swedish krona are reflected in the Group's euro-denominated net sales, result and equity. A more detailed description of the risks related to the Group's operations was provided in the 2017 annual report.

Outlook for the future

The consolidated EBIT in 2017 was EUR 40.9 million. In 2018, EBIT is expected to be lower than in 2017. In 2018, net sales are expected to remain at the 2017 level.

Financial calendar 2018

In 2018, Atria Plc will publish the following report:
- Interim report January–September: 25 October 2018 at approximately 8:00 am

Financial releases can be viewed on the company's website at www.atria.com immediately after their release.

Shares

Atria Plc's share capital consists of a total of 28,267,728 shares, divided into 19,063,747 series A shares and 9,203,981 series KII shares. Each series A share entitles its holder to one (1) vote and each series KII share to ten (10) votes at a General Meeting. Therefore, Atria Plc's shareholders are entitled to a total of 111,103,557 votes. The company holds 111,312 series A treasury shares.

Decisions of Atria Plc's Annual General Meeting 26 April 2018

The General Meeting approved the financial statements and the consolidated financial statements for the financial year from 1 January to 31 December 2017, and discharged the members of the

Supervisory Board and the Board of Directors as well as the CEO from liability for the financial year ended on 31 December 2017.

The AGM decided that a dividend of EUR 0.50 will be paid for each share for the financial year that ended on 31 December 2017. Dividends were paid to shareholders who on the record date for the payment of dividends were recorded in the company's shareholder register, maintained by Euroclear Finland Oy. The record date was 30 April 2018 and the date of payment was 8 May 2018.

Composition and remuneration of the Supervisory Board

The Annual General Meeting decided that the composition of the Supervisory Board will be as follows:

Member	**Term ends**
Juho Anttikoski	2019
Mika Asunmaa	2019
Reijo Flink	2020
Lassi-Antti Haarala	2021
Jussi Hantula	2021
Hannu Hyry	2019
Veli Hyttinen	2020
Pasi Ingalsuo	2020
Jussi Joki-Erkkilä	2021
Marja-Liisa Juuse	2021
Jukka Kaikkonen	2019
Juha Kiviniemi	2020
Ari Lajunen	2021
Juha Nikkola	2019
Mika Niku	2021
Pekka Ojala	2020
Heikki Panula	2019
Risto Sairanen	2020
Ola Sandberg	2021
Timo Tuhkasaari	2020
A total of 20 members	

The General Meeting decided that the remuneration of the members of the Supervisory Board would remain the same as in 2017. The remuneration is: compensation for meetings EUR 250 per meeting; compensation for loss of working time for meeting and proceeding days EUR 250; fee payable to the Chairman of the Supervisory Board EUR 1,500 per month; and fee payable to the Deputy Chairman EUR 750 per month, with compensation for travel expenses in accordance with the company's travel policy.

Composition and remuneration of the Board of Directors

The AGM decided that the number of the members of the Board of Directors will be eight (8). Kjell-Göran Paxal and Harri Sivula, who were due to resign, were re-elected as members and Ahti Ritola was elected as a new member for the next three-year term.

It was noted that Nella Ginman-Tjeder, Pasi Korhonen, Jukka Moisio, Seppo Paavola and Jyrki Rantsi would continue as members of Board. The terms of Nella Ginman-Tjeder, Pasi Korhonen and Jyrki Rantsi will expire at the closing of the 2019 Annual General Meeting and those of Seppo Paavola and Jukka Moisio will expire at the closing of the 2020 Annual General Meeting.

The General Meeting decided that the remuneration of the members of Board would remain the same as in 2017. The remuneration is: compensation for meetings EUR 300 per meeting; compensation for loss of working time for meeting and proceeding days EUR 300; fee payable to the Chairman of the Board of Directors EUR 4,700 per month; fee payable to the Deputy Chairman EUR 2,500 per month; and fee payable to members of the Board of Directors EUR 2,000 per month, with travel expense compensation in accordance with the company's travel policy.

Auditors

The General Meeting elected PricewaterhouseCoopers Oy as the company's auditor for the term ending at the closing of the next Annual General Meeting. According to the firm, the auditor in charge is Authorised Public Accountant Samuli Perälä. The Annual General Meeting decided that the auditor's fee will be paid against an invoice approved by the company.

Amendment of the Articles of Association

The AGM decided to change the Articles of Association according to the Board of Directors' proposal. The new Articles of Association have been published on the company's website at: www.atria.fi/en/group/investors/corporate-governance/companys-articles/

Valid authorisations to purchase or issue shares, grant special rights and make donations

The General Meeting authorised the Board of Directors to decide on the acquisition of a maximum of 2,800,000 of the company's own A shares, in one or several tranches, with funds belonging to the company's unrestricted equity, subject to the provisions of the Limited Liability Companies Act regarding the maximum number of treasury shares to be held by a company. The company's own series A shares may be acquired for use as consideration in any acquisitions or other arrangements relating to the company's business, to finance investments, as part of the company's incentive programmes, to develop the company's capital structure, to be otherwise further transferred, to be retained by the company or to be cancelled.

The shares shall be acquired in a proportion other than that of the shareholders' current shareholdings in the company in public trading arranged by Nasdaq Helsinki Ltd at the market price at the moment of acquisition. The shares shall be acquired and paid for in accordance with the rules of Nasdaq Helsinki Ltd and Euroclear Finland Oy. The Board of Directors was authorised to decide on the acquisition of the company's own shares in all other respects.

The authorisation shall supersede the authorisation granted by the Annual General Meeting on 27 April 2017 to the Board of Directors to decide on the acquisition of the company's own shares and be valid until the closing of the next Annual General Meeting or until 30 June 2019, whichever is first.

The General Meeting authorised the Board of Directors to decide, on one or several occasions, on an issue of a maximum of 5,500,000 new series A shares or on the disposal of any series A shares held by the company through a share issue and/or by granting option rights or other special rights entitling people to shares as referred to in Chapter 10, Section 1 of the Limited Liability Companies Act. The authorisation may be exercised to finance or execute any acquisitions or other arrangements or investments related to the company's business, to implement the company's incentive plan or for other purposes at the Board's discretion.

The Board of Directors is also authorised to decide on all terms and conditions of the share issue and of the granting of special rights as referred to in Chapter 10, Section 1 of the Limited Liability Companies Act. The authorisation thus also includes the right to issue shares in a proportion other than that currently held by the shareholders under the conditions provided by law, the right to issue shares against or without payment and the right to decide on a share issue to the company itself without payment – subject to the provisions of the Limited Liability Companies Act regarding the maximum number of treasury shares to be held by a company.

The authorisation shall supersede the share issue authorisation granted by the Annual General Meeting on 27 April 2017 to the Board of Directors, and is valid until the closing of the next Annual General Meeting or until 30 June 2019, whichever is first.

The General Meeting authorised the Board of Directors to decide on the donation of a maximum of EUR 100,000 to universities or other educational institutions.

Corporate governance principles

Atria's corporate governance principles and deviations from the Finnish Corporate Governance Code are published on the company's website at www.atria.com.

ATRIA GROUP

CONSOLIDATED INCOME STATEMENT

EUR million	4-6/18	4-6/17	1-6/18	1-6/17	1-12/17
Net sales	**359.1**	**368.4**	**704.6**	**701.0**	**1,436.2**
Costs of goods sold	-320.7	-322.8	-630.5	-619.3	-1,262.9
Gross profit	**38.4**	**45.7**	**74.0**	**81.6**	**173.3**
Sales and marketing expenses	-22.2	-25.3	-42.5	-49.0	-92.4
Administrative expenses	-11.0	-10.5	-21.9	-21.6	-42.7
Other operating income	1.2	0.8	2.0	1.6	5.7
Other operating expenses	-1.1	-0.7	-2.8	-1.4	-3.0
EBIT	**5.4**	**10.0**	**8.8**	**11.2**	**40.9**
Finance income and costs	-1.5	-2.1	-3.8	-3.5	-7.3
Income from joint ventures and associates	0.1	0.4	0.1	1.4	1.9
Profit before taxes	**3.9**	**8.3**	**5.1**	**9.1**	**35.5**
Income taxes	0.7	-1.3	0.2	-2.2	-7.1
Profit for the period	**4.6**	**7.0**	**5.4**	**6.9**	**28.4**
Profit attributable to:					
Owners of the parent	4.3	6.5	4.4	6.0	25.9
Non-controlling interests	0.3	0.4	0.9	1.0	2.5
Total	**4.6**	**7.0**	**5.4**	**6.9**	**28.4**
Basic earnings per share, EUR	0.15	0.23	0.16	0.21	0.92
Diluted earnings per share, EUR	0.15	0.23	0.16	0.21	0.92

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR million	4-6/18	4-6/17	1-6/18	1-6/17	1-12/17
Profit for the period	**4.6**	**7.0**	**5.4**	**6.9**	**28.4**
Other comprehensive income after tax:					
Items that will not be reclassified to profit or loss					
Actuarial losses from benefit-based pension obligations	-	-	-	-	-0.1
Items reclassified to profit or loss when specific conditions are met					
Cash flow hedges	2.2	0.6	3.3	0.6	2.1
Currency translation differences	-2.5	-6.2	-6.8	-2.7	-6.1
Total comprehensive income for the period	**4.4**	**1.4**	**1.9**	**4.8**	**24.3**
Total comprehensive income attributable to:					
Owners of the parent	4.0	1.0	0.9	3.9	21.9
Non-controlling interests	0.3	0.4	1.0	0.9	2.4
Total	**4.4**	**1.4**	**1.9**	**4.8**	**24.3**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Assets **EUR million**	**30.6.18**	**30.6.17**	**31.12.17**
Non-current assets			
Property, plant and equipment	405.8	404.6	408.7
Biological assets	0.6	0.7	0.6
Goodwill	160.8	169.0	166.8
Other intangible assets	84.8	91.6	89.1
Investments in joint ventures and associates	14.5	14.2	14.7
Other financial assets	1.2	1.2	1.2
Loans and other receivables	10.1	7.9	9.2
Deferred tax assets	5.8	6.3	6.0
Total	**683.6**	**695.5**	**696.3**
Current assets			
Inventories	98.6	92.3	93.0
Biological assets	3.7	3.4	3.1
Trade and other receivables	133.7	124.5	114.2
Cash and cash equivalents	1.9	4.4	3.1
Total	**237.8**	**224.6**	**213.5**
Total assets	**921.4**	**920.1**	**909.8**

Equity and liabilities **EUR million**	**30.6.18**	**30.6.17**	**31.12.17**
Equity attributable to the shareholders of the parent company	405.6	400.6	418.6
Non-controlling interests	12.4	13.2	12.1
Total equity	**418.0**	**413.8**	**430.7**
Non-current liabilities			
Interest-bearing financial liabilities	155.8	125.4	122.4
Deferred tax liabilities	45.6	48.5	47.2
Pension obligations	6.0	7.1	6.3
Other non-interest-bearing liabilities	8.0	9.8	8.1
Total	**215.4**	**190.7**	**184.0**
Current liabilities			
Interest-bearing financial liabilities	95.6	125.8	91.9
Trade and other payables	192.5	189.7	203.2
Total	**288.1**	**315.6**	**295.1**
Total liabilities	**503.5**	**506.3**	**479.1**
Total equity and liabilities	**921.4**	**920.1**	**909.8**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

EUR million	**Equity attributable to the shareholders of the parent company**							**Non-controlling interests**	**Total equity**
	Share capital	Treasury shares	Other funds	Inv. non-rest. equity fund	Translation diff.	Retained earnings	Total		
Equity 1.1.17	**48.1**	**-1.3**	**-2.5**	**249.1**	**-44.7**	**161.2**	**409.7**	**12.4**	**422.2**
Profit for the period						6.0	6.0	1.0	6.9
Other comprehensive income									
Cash flow hedges			0.6				0.6		0.6
Currency translation differences					-2.7		-2.7	0.0	-2.7
Share of non-controlling interest related to acquisition of subsidiary						0.0	0.0		0.0
Dividends						-13.0	-13.0	-0.2	-13.1
Equity 30.6.17	**48.1**	**-1.3**	**-2.0**	**249.1**	**-47.4**	**154.2**	**400.6**	**13.2**	**413.8**
Equity 1.1.18	**48.1**	**-1.3**	**-0.4**	**249.1**	**-50.8**	**173.9**	**418.6**	**12.1**	**430.7**
Profit for the period						4.4	4.4	0.9	5.4
Other comprehensive income									
Cash flow hedges			3.3				3.3		3.3
Currency translation differences					-6.8		-6.8		-6.8
Share of non-controlling interest related to acquisition of subsidiary						0.0	0.0		0.0
Share-based payments				0.1			0.1		0.1
Dividends						-14.1	-14.1	-0.7	-14.8
Equity 30.6.18	**48.1**	**-1.3**	**2.9**	**249.2**	**-57.6**	**164.3**	**405.6**	**12.4**	**418.0**

CONSOLIDATED CASH FLOW STATEMENT

EUR million	1-6/18	1-6/17	1-12/17
Cash flow from operating activities			
Operating activities before financial items and taxes	5.3	13.0	82.3
Financial items and taxes	-7.1	-11.7	-17.8
Net cash flow from operating activities	**-1.9**	**1.2**	**64.5**
Cash flow from investing activities			
Tangible and intangible assets	-24.1	-25.4	-53.1
Sold operations	-	-	4.0
Non-current receivables	-0.7	2.9	2.3
Dividends received	0.2	0.7	0.8
Current receivables	1.0	0.0	0.7
Net cash used in investing activities	**-23.6**	**-21.8**	**-45.3**
Cash flow from financing activities			
Proceeds from long-term borrowings	35.0	0.1	-
Repayment of long-term borrowings	-52.7	-2.8	-5.5
Changes in short-term borrowings	54.7	35.9	2.0
Dividends paid	-14.8	-13.1	-13.1
Net cash used in financing activities	**22.3**	**20.2**	**-16.6**
Change in liquid funds	**-3.1**	**-0.4**	**2.6**
Cash and cash equivalents at beginning of year	3.1	4.6	4.6
Effect of exchange rate changes	1.9	0.2	-4.0
Cash and cash equivalents at the end of period	**1.9**	**4.4**	**3.1**

NOTES TO INTERIM REPORT

INTERIM REPORT ACCOUNTING PRINCIPLES

This half-year financial report was prepared in accordance with the IAS 34 Interim Financial Reporting standard. Atria has applied the same principles in preparing this half-year financial report as in preparing the 2017 annual financial statements. However, since 1 January 2018, the Group has adopted the new or revised standards and IFRIC interpretations published by the IASB included in the accounting principles of the annual financial statements of 2017.

Atria applies the following new standards for its interim report for the first time:
- IFRS 15, Revenue from Contracts with Customers
- IFRS 9, Financial Instruments

IFRS 15

Atria Group has assessed the effects of IFRS 15 on revenue recognition practices over the course of 2017. The matter is described in more detail in financial statements accounting principles. The entry into force of the new IFRS 15 standard has not required changes in Atria's revenue recognition practices. As such, it has no effect on Atria Group's income statement, balance sheet or cash flow.

Atria sells food products, feed, animals and services. The sales are based on written or oral customer contracts where performance obligations, prices, payment terms and the rights of the parties have been specified. As a rule, Atria delivers the sold products to the customer within 24 hours, the performance obligation is satisfied at a point in time, and the transfer of control and invoicing occur at the time of delivery. Sales discounts and rebates are recognised for the delivery month.

As part of segment information, Atria presents sales divided into consumer product sales and revenue from primary production, the latter of which includes sales of traded animals and feed. Atria sees these two net sales flows are the most fundamental for understanding the nature of the revenues and cash flows from customer contracts.

Consumer product customers are primarily large central organisations. The amount of expected credit losses is small. In primary production, credit loss provision is calculated for each company based on past, general and customer-specific forecasts.

IFRS 9

IFRS 9, Financial Instruments, defines the classification and measurement of financial assets and liabilities, the determination of impairments on such instruments, and the principles applied to hedge accounting.

The new standard did not bring about changes in Atria's opening balance for 2018. The majority of the Group's financial assets are trade receivables, loan receivables and other types of receivable. They are measured at amortised cost. In accordance with the business model, these investments are held until their due date, and the cash flows based on the contract accrue from principal payments and interest. The profit or loss realised on the sale of financial assets valued at fair value through other items of comprehensive income is no longer recognised through profit and loss at the time of sale.

Changes in fair value are transferred to retained earnings through comprehensive income. In line with the new impairment model, an impairment is recognised for foreseeable credit losses. In recent years, the amount of realised credit losses sustained by the Group has been insubstantial, and the amount of foreseeable credit losses is presumed to remain insubstantial, so no major changes to the amount recognised as a credit loss provision were made. The accounting treatment of financial liabilities was not changed.

The effects of the standard for Atria Group apply mainly to hedge accounting. The new hedge accounting rules brought hedge accounting closer to the Group's risk management practices. The system-priced risk and regional price difference risk for electricity hedge accounting can be treated separately in hedge accounting.

IFRS 16

Atria continues to assess the effects of the IFRS 16 Leases standard in accordance with its financial statements accounting principles**.**

REPORTING SEGMENTS

As of the beginning of 2018, Atria Group's operational structure and financial reporting were altered. Atria Scandinavia's organisation was simplified and a separate segment was created for the operations in Sweden. The businesses in Denmark and Estonia now constitute a single business area and reporting segment. The name of the new business area is Atria Denmark&Estonia. Atria Finland and Atria Russia business areas will continue to be reported as independent segments.

Atria Group's reporting segments as of 1 January 2018 are as follows:
- Atria Finland
- Atria Sweden
- Atria Denmark&Estonia
- Atria Russia

Comparative figures for 2017 are presented for the renewed segments in the Q1/2018 interim report.

The principles for calculating the indicators are presented at the end of this report. In the company's view, the indicators presented serve to clarify the view provided by the income statement and balance sheet of the operational result and financial position of the business.

The figures presented in the release are rounded to EUR million, so the combined total of individual figures may differ from the total sum presented. The figures in this interim report are unaudited.

OPERATING SEGMENTS

EUR million	4-6/18	4-6/17	1-6/18	1-6/17	1-12/17
Revenue from Consumer goods					
Atria Finland	198.9	198.1	389.0	374.3	767.0
Atria Sweden	71.7	78.4	141.3	151.0	307.2
Atria Denmark&Estonia	23.7	24.3	46.1	46.9	95.6
Atria Russia	18.5	22.9	35.8	41.6	85.7
Eliminations	-10.3	-10.5	-20.4	-20.8	-42.0
Total	**302.5**	**313.2**	**591.8**	**593.0**	**1,213.5**
Revenue from primary products					
Atria Finland	56.0	54.4	111.5	106.3	219.4
Atria Sweden	-	-	-	-	-
Atria Denmark&Estonia	0.6	0.9	1.2	1.7	3.3
Atria Russia	-	-	-	-	-
Total	**56.6**	**55.2**	**112.8**	**108.0**	**222.7**
Total net sales	**359.1**	**368.4**	**704.6**	**701.0**	**1,436.2**
EBIT					
Atria Finland	6.9	7.7	13.6	11.8	36.3
Atria Sweden	-1.8	0.9	-5.0	0.3	2.4
Atria Denmark&Estonia	1.4	1.3	2.7	2.4	5.2
Atria Russia	-0.1	0.5	-0.7	-1.2	0.8
Unallocated	-1.0	-0.4	-1.7	-2.0	-3.7
Total	**5.4**	**10.0**	**8.8**	**11.2**	**40.9**
Investments					
Atria Finland	5.3	6.5	10.9	11.9	23.4
Atria Sweden	4.2	4.8	8.7	9.3	22.8
Atria Denmark&Estonia	1.7	1.0	2.5	2.6	4.8
Atria Russia	0.9	0.4	2.0	1.1	2.9
Total	**12.1**	**12.7**	**24.1**	**24.9**	**53.9**
Depreciation and write-offs					
Atria Finland	6.8	6.6	13.5	13.5	26.5
Atria Sweden	2.5	2.6	5.0	5.3	10.5
Atria Denmark&Estonia	1.0	1.0	2.0	2.0	4.4
Atria Russia	1.0	1.2	2.1	2.5	4.7
Total	**11.4**	**11.5**	**22.7**	**23.3**	**46.1**

FAIR VALUE HIERARCHY OF FINANCIAL ASSETS AND LIABILITIES

EUR milloin

Balance sheet items	**30.6.18**	**Level 1**	**Level 2**	**Level 3**
Assets				
Financial assets at fair value through other comperhensive income	1.2			1.2
Derivative financial instruments	7.4		7.4	
Total	**8.6**	**0.0**	**7.4**	**1.2**
Liabilities				
Derivative financial instruments	1.1		1.1	
Total	**1.1**	**0.0**	**1.1**	**0.0**

Balance sheet items	**31.12.17**	**Level 1**	**Level 2**	**Level 3**
Assets				
Financial assets at fair value through other comperhensive income	1.2			1.2
Derivative financial instruments	2.9		2.9	
Total	**4.1**	**0.0**	**2.9**	**1.2**
Liabilities				
Bonds	50.0		50.0	
Derivative financial instruments	1.9		1.9	
Total	**51.9**	**0.0**	**51.9**	**0.0**

There were no transfers between Levels 1 and 2 during the period.
Level 1: Prices listed on active markets for identical assets and liabilities.

Level 2: Fair values can be determined either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3: Fair values are not based on verifiable market prices.

Fair values of financial instruments do not deviate significantly from balance sheet values.

RELATED PARTY TRANSACTIONS

EUR million

The following transactions were completed with related parties:

	4-6/18	**4-6/17**	**1-6/18**	**1-6/17**	**1-12/17**
Sales of goods and services	4.5	2.4	8.8	5.1	15.1
Purchases of goods and services	20.7	19.4	43.1	39.7	87.2

	30.6.18	**30.6.17**	**31.12.17**
Receivables	0.8	1.1	0.9
Liabilities	14.2	4.8	6.6

CONTINGENT LIABILITIES

EUR million	30.6.18	30.6.17	31.12.17
Debts with mortgages given as security			
Loans from financial institutions	1.5	1.6	1.6
Pension fund loans	4.3	5.2	4.4
Total	**5.9**	**6.9**	**6.0**
Mortgages given as comprehensive security			
Real estate mortgages	2.6	2.7	2.7
Corporate mortgages	1.1	3.9	1.1
Total	**3.6**	**6.6**	**3.8**
Guarantee engagements not included in the balance sheet			
Guarantees	0.2	0.3	0.2

PRINCIPLES FOR CALCULATING FINANCIAL INDICATORS

Adjusted EBIT		In addition to reporting EBIT, the company publishes an adjusted EBIT indicator to describe the actual financial development of the business and to improve comparability between different periods. The adjusted EBIT is determined by adjusting the EBIT recognized in the income statement for items that affect comparability. These may include events that are not part of the ordinary business activities, such as the restructuring of operations, capital gains and losses attributable to the sale of operations, impairment, and the costs of discontinuing significant operations.	
Gross investments		Investments in tangible and intangible assets, including acquired businesses	
FTE	=	Hours worked during the review period / Number of working days during the review period * normal working hours per day	
Return on equity (%)	=	Profit/loss for the accounting period / Equity (average)	* 100
Return on investment (%)	=	Profit/loss before tax + interest and other financial expenses / Equity + interest-bearing financial liabilities (average)	* 100
Equity ratio (%)	=	Equity / Balance sheet total – advance payments received	* 100
Gearing (%)	=	Interest-bearing financial liabilities / Equity	* 100
Net interest-bearing liabilities	=	Interest-bearing financial liabilities – cash and cash equivalents	
Net gearing (%)	=	Interest-bearing financial liabilities – cash and cash equivalents / Equity	* 100
Earnings/share (basic)	=	Profit for the period attributable to the owners of the parent company / Weighted average of outstanding shares	
Equity/share	=	Equity attributable to the owners of the parent company / Undiluted number of shares on 31 Dec	
Dividend/share	=	Dividend distribution during the accounting period / Undiluted number of shares on 31 Dec	
Dividend/profit (%)	=	Dividend/share / Earnings per share (EPS)	* 100
Effective dividend yield (%)	=	Dividend/share / Closing price at the end of the accounting period	* 100
Price/earnings (P/E)	=	Closing price at the end of the accounting period / Earnings per share	
Average price	=	Overall share turnover (EUR) / Undiluted average number of shares traded during the accounting period	
Market capitalisation	=	Number of shares at the end of the accounting period * closing price on 31 Dec	
Share turnover (%)	=	Number of shares traded during the accounting period / Undiluted average number of shares	* 100

ATRIA PLC
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