Atria Plc

Interim Report

1 January – 30 September 2013

CEO
Juha Gröhn
1 November 2013

ATRIA PLC
Good food - better mood.

Atria Group
Review Q1-Q3/2013

EUR million	Q3 2013	Q3 2012	Q1-Q3 2013	Q1-Q3 2012	2012
Net sales	**358.4**	341.1	**1,050.4**	982.9	1.343.6
EBIT	**-1.8**	16.6	**9.1**	22.4	30.2
EBIT %	**-0.5**	4.9	**0.9**	2.3	2.2
Profit before taxes	**-5.0**	13.1	**-0.2**	12.9	18.9
Earnings per share, €	**-0.54**	0.31	**-0.48**	0.17	0.35
Extraordinary items*	**-16.3**	0.0	**-15.2**	0.0	-0.5

* Non-recurring items which are included in the EBIT.

- Atria Russia will discontinue its unprofitable primary pork production in Russia. Furthermore, the industrial production and logistics unit located in Moscow will be discontinued by the end of 2014. Atria Russia recognised non-recurring impairments totalling EUR 23.0 million, EUR 15.4 million of which was allocated to EBIT.
- Atria lowered its EBIT forecast due to the non-recurring costs of its Russian business operations.
- It is estimated that the discontinuations of the unprofitable primary production and the Moscow-based production operations will generate annual cost savings of about EUR 6 million compared to 2013. The cost savings will be fully realised as of the beginning of 2015.
- Consolidated EBIT was EUR 9.1 million (EUR 22.4 million) and EBIT without non-recurring items amounted to EUR 24.4 million (EUR 22.4 million).
- Consolidated net sales totalled EUR 1,050.4 million (EUR 982.9 million).

Atria Finland

Review Q1-Q3/2013

EUR million	Q3 2013	Q3 2012	Q1-Q3 2013	Q1-Q3 2012	2012
Net sales	**224.8**	205.1	**660.8**	598.1	819.5
EBIT	**9.8**	12.5	**23.8**	25.5	36.5
EBIT %	**4.4**	6.1	**3.6**	4.3	4.5
Extraordinary items*	**0.0**	0.0	**1.1**	0.0	-0.5

* Non-recurring items which are included in the EBIT.

- **Atria Finland's** net sales grew by EUR 19.7 million, totalling EUR 224.8 million (EUR 205.1 million).
- Net sales July-September grew in all sales channels: retail trade, Food Service customers as well as export and wholesale market.
- Net sales for January–September increased by EUR 62.7 million to EUR 660.8 million (EUR 598.1 million).
- Fiercer price competition at the end of the period under review, high raw material prices in Finland and persistently low export prices weighed down the EBIT.

Atria Finland

- According to Atria's own estimate, its market share in the retail trade improved to approximately 28 per cent.
- Atria Plc and Saarioinen Oy signed a preliminary agreement in July under which Atria will purchase Saarioinen's procurement, slaughtering and cutting operations for beef, pork and chicken. 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.
- The transfer of convenience food production from Karkkila to the Nurmo plant has progressed as planned.
- The projects in Atria's Handprint programme are progressing according to plan. Atria continues to invest in the transparency of its production chain and the traceability of its products. For Christmas, Atria will launch a traceable Christmas ham.

Atria Scandinavia
Review Q1-Q3/2013

EUR million	Q3 2013	Q3 2012	Q1-Q3 2013	Q1-Q3 2012	2012
Net sales	**99.7**	100.1	**292.0**	284.6	387.8
EBIT	**4.7**	4.4	**6.5**	6.3	8.2
EBIT %	**4.7**	4.3	**2.2**	2.2	2.1
Extraordinary items*	**-0.9**	0.0	**-0.9**	0.0	0.0

* Non-recurring items which are included in the EBIT.

- **Atria Scandinavia's** EBIT was EUR 4.7 million (EUR 4.4 million). EBIT without non-recurring costs amounted to EUR 5.6 million (EUR 4.4 million).
- EBIT includes non-recurring costs of EUR 0.9 million resulting from the impairment of the held for sale Halmstad plant.
- EBIT without non-recurring costs amounted to EUR 7.4 million (EUR 6.3 million).
- Increased marketing efforts at the beginning of the year and more stable raw material prices improved EBIT.

Atria Scandinavia

- The position of private labels in the Swedish retail sector continues to be strong.
- Atria's overall market share remained stable.
- The sales of the new "Lithells världskorv" and "Oskar Lithells finaste" concepts of the Lithells product selection got off to a good start.
- Several new products were launched within the Deli product selection during the period under review.
- Atria Scandinavia's Handprint programme focused on meat raw material traceability. The company continued to develop procedures related to meat procurement in order to verify the origin and traceability of meat.

Atria Russia
Review Q1-Q3/2013

EUR million	Q3 2013	Q3 2012	Q1-Q3 2013	Q1-Q3 2012	2012
Net sales	**32.0**	33.9	**90.8**	93.5	126.3
EBIT	**-16.4**	0.6	**-19.1**	-4.7	-8.6
EBIT %	**-51.2**	1.8	**-21.1**	-5.0	-6.8
Extraordinary items*	**-15.4**	0.0	**-15.4**	0.0	0.0

* Non-recurring items which are included in the EBIT.

- **Atria Russia** will discontinue its unprofitable primary pork production in Russia. Furthermore, the industrial production and logistics unit located in Moscow will be discontinued by the end of 2014.
- Atria Russia recognised non-recurring impairments totalling EUR 23.0 million, EUR 15.4 million of which was allocated to EBIT.
- Atria Russia's EBIT for July-September without non-recurring costs amounted to EUR -0.9 million (EUR 0.6 million).
- EBIT for January-September without non-recurring items amounted to EUR -3.7 million (EUR -4.7 million).
- EBIT without non-recurring costs was negative due to the poor profitability of primary production.
- The result for industrial operations improved thanks to efficiency improvement measures.

Atria Russia

- It is estimated that the discontinuations of unprofitable primary production and the Moscow-based production operations will generate annual cost savings of about EUR 6 million compared to 2013. The cost savings will be fully realised as of the beginning of 2015.
- During the period under review, Atria sold its minority share in OOO Dan-Invest, a piggery company operating in Russia. Atria's holding in the company was 26 per cent. The deal had no major impact on Atria's financial position or performance.
- The discontinuation of primary pork production will have no impact on Atria Russia's access to meat raw material. Atria Russia's meat product industry uses both meat produced in Russia and imported meat.

ATRIA PLC
Good food - better mood.

Atria Baltic
Review Q1-Q3/2013

EUR million	Q3 2013	Q3 2012	Q1-Q3 2013	Q1-Q3 2012	2012
Net sales	**8.5**	8.4	**25.0**	25.4	34.2
EBIT	**0.3**	-0.4	**-0.1**	-1.3	-1.5
EBIT %	**3.6**	-4.2	**-0.2**	-5.0	-4.4
Extraordinary items*	**0.0**	0.0	**0.0**	0.0	0.0

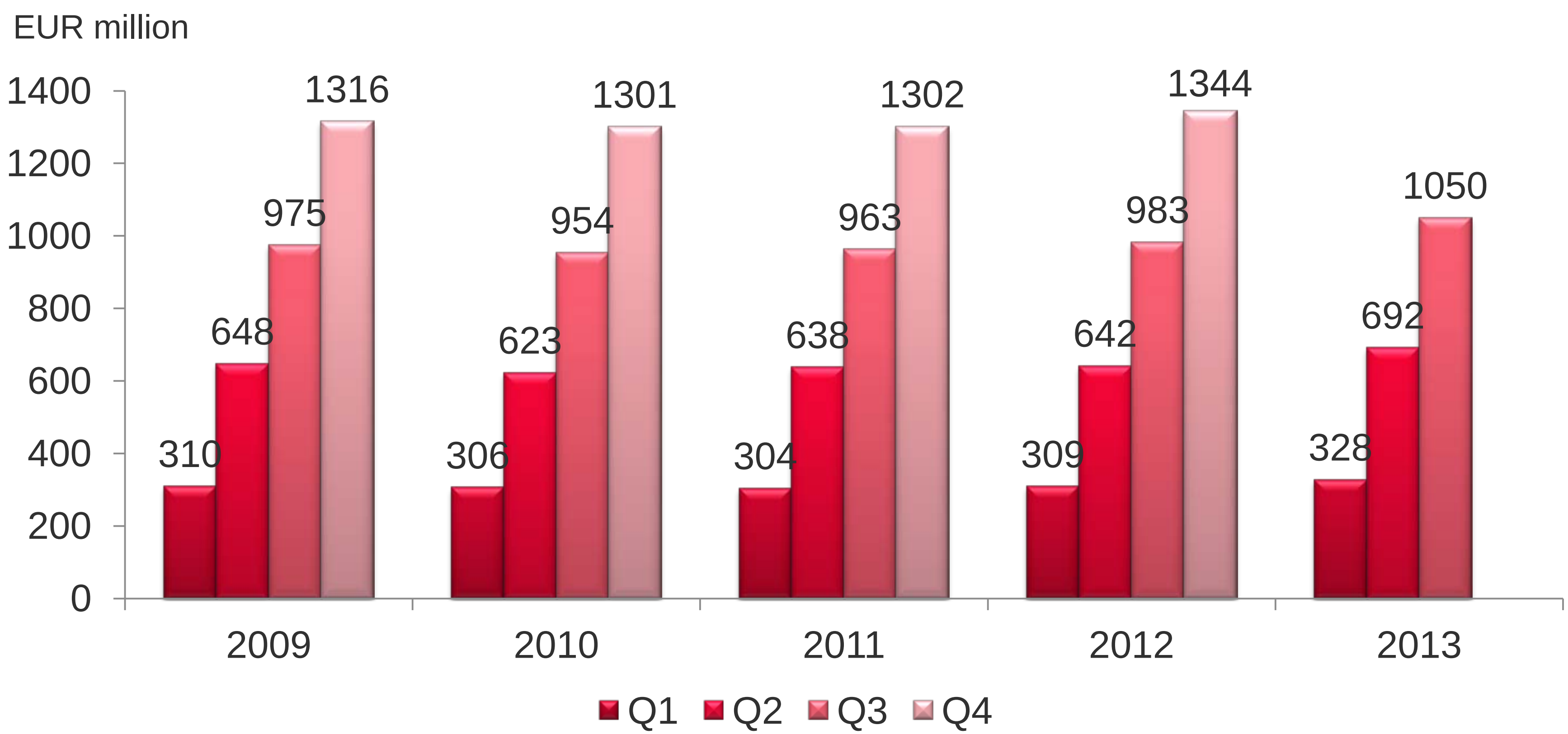
* Non-recurring items which are included in the EBIT.

- **Atria Baltic's** net sales for July–September totalled EUR 8.5 million (EUR 8.4 million). EBIT was EUR 0.3 million (EUR -0.4 million).
- During the period under review, retail sales accounted for a greater proportion of total sales than previously.
- The sales of consumer-packed meat fared particularly well in the summer season.
- Net sales for January–September totalled EUR 25.0 million (EUR 25.4 million). EBIT for January–September was EUR -0.1 million (EUR -1.3 million), up by EUR 1.2 million year-on-year.
- The positive performance is due to the improved sales structure and the cost savings resulting from efficiency improvement measures.

Financial Development

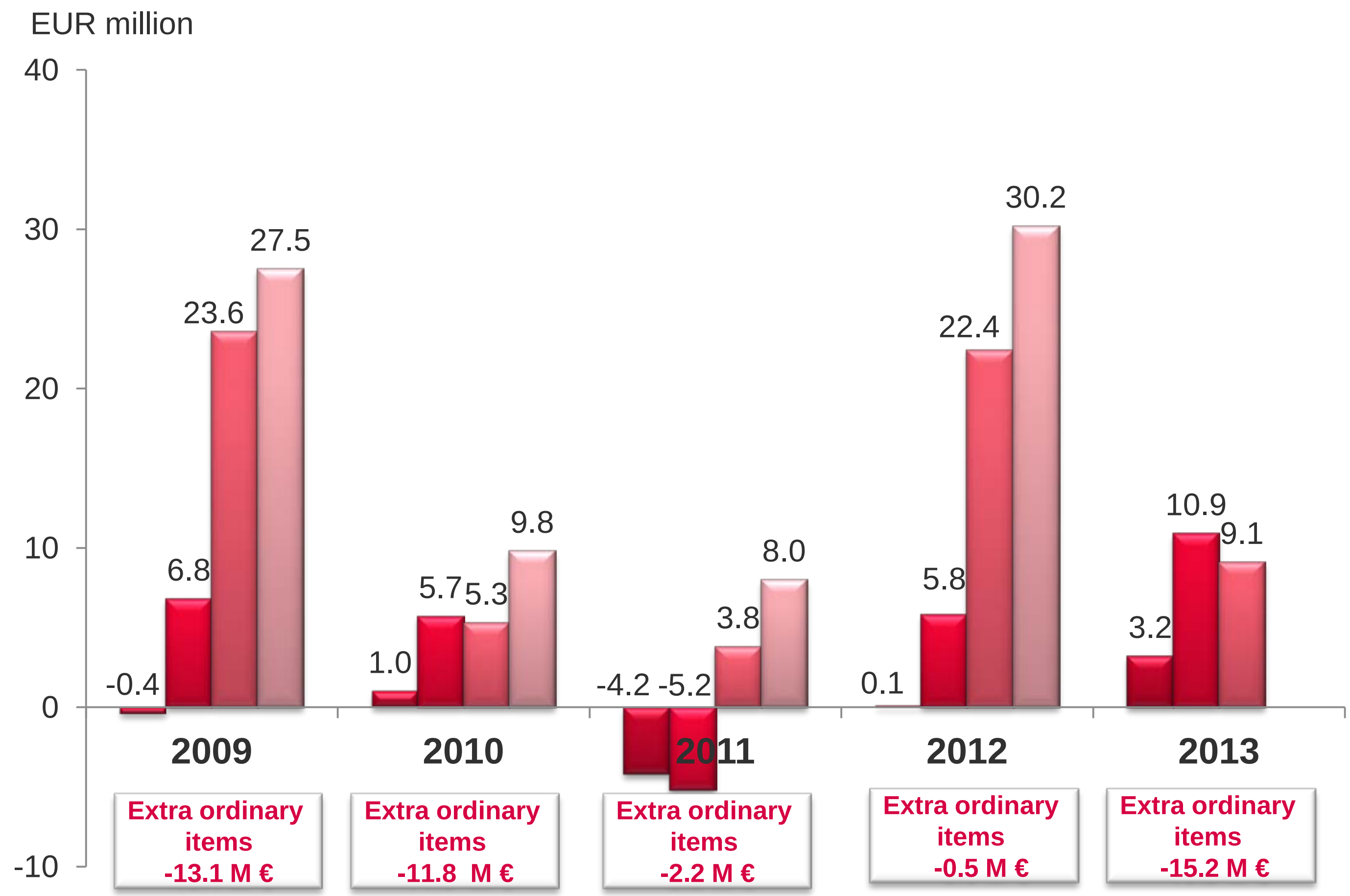
Atria Group Net Sales

cumulative, quarterly



Atria Group EBIT

cumulative, quarterly



Atria Group
Financial indicators

EUR million	30.9.2013	30.9.2012	31.12.2012
Shareholders' equity per share, EUR	**14.26**	15.07	15.15
Interest-bearing liabilities	**361.0**	425.8	370.5
Equity ratio, %	**40.9**	39.4	41.5
Gearing, %	**88.7**	99.2	85.9
Net gearing, %	**84.5**	97.4	84.3
Gross investments in fixed assets	**29.2**	41.2	56.2
Gross investments, % of net sales	**2.8**	4.2	4.2
Average number of employees	**4,688**	4,927	4,898

- On 30 September 2013, the amount of the Group's undrawn committed credit facilities stood at EUR 147.3 million (31 December 2012: EUR 153.0 million). The average maturity of loans and committed credit facilities at the end of the period under review was 3 years (31 December 2012: 2 years 10 months).
- During the period under review, the Group's free cash flow (operating cash flow - cash flow from investments) was EUR 20.7 million (EUR -1.5 million). Interest-bearing net liabilities came to EUR 343.8 million, down by EUR 20.1 million since the turn of the year.

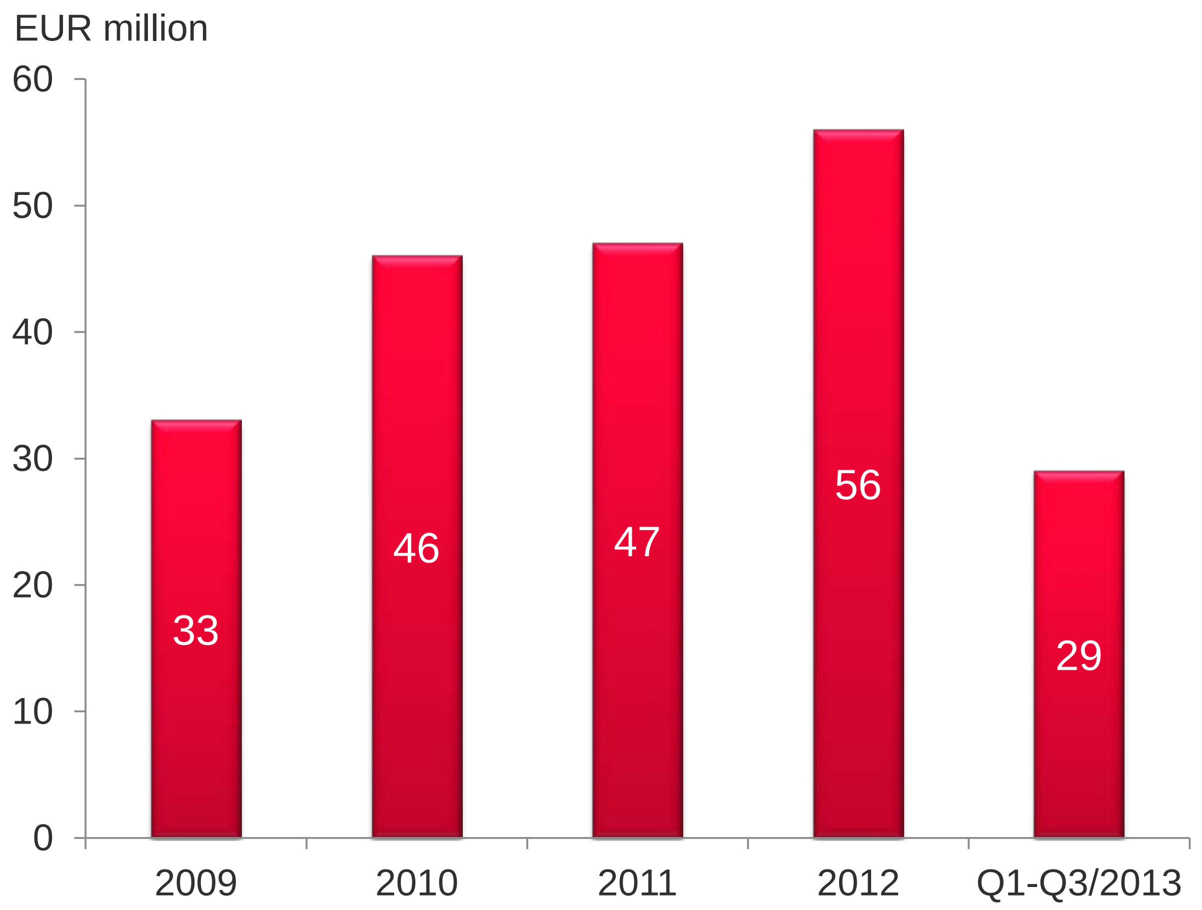
Atria Group
Income Statement

EUR million	Q3 2013	Q3 2012	Q1-Q3 2013	Q1-Q3 2012	2012
NET SALES	**358.4**	341.1	**1,050.4**	982.9	1,343.6
Cost of goods sold	**-311.3**	-291.8	**-921.2**	-857.5	-1,172.5
GROSS PROFIT	**47.1**	49.3	**129.2**	125.4	171.1
% of Net sales	***13.1***	*14.5*	***12.3***	*12.8*	*12.7*
Other income	**0.8**	0.6	**3.0**	1.8	3.8
Other expenses	**-49.7**	-33.4	**-123.2**	-104.9	-144.7
EBIT	**-1.8**	16.6	**9.1**	22.4	30.2
% of Net sales	***-0.5***	*4.9*	***0.9***	*2.3*	*2.2*
Financial income and expenses	**-3.6**	-3.5	**-11.2**	-10.8	-14.7
Income from joint-ventures and associates	**0.4**	-0.1	**1.9**	1.3	3.4
PROFIT BEFORE TAXES	**-5.0**	13.1	**-0.2**	12.9	18.9
Income taxes	**-10.1**	-4.1	**-13.0**	-8.0	-8.8
PROFIT FOR THE PERIOD	**-15.1**	8.9	**-13.2**	4.9	10.1
% of Net sales	***-4.2***	*2.6*	***-1.3***	*0.5*	*0.7*
Earnings/share, €	**-0.54**	0.31	**-0.48**	0.17	0.35

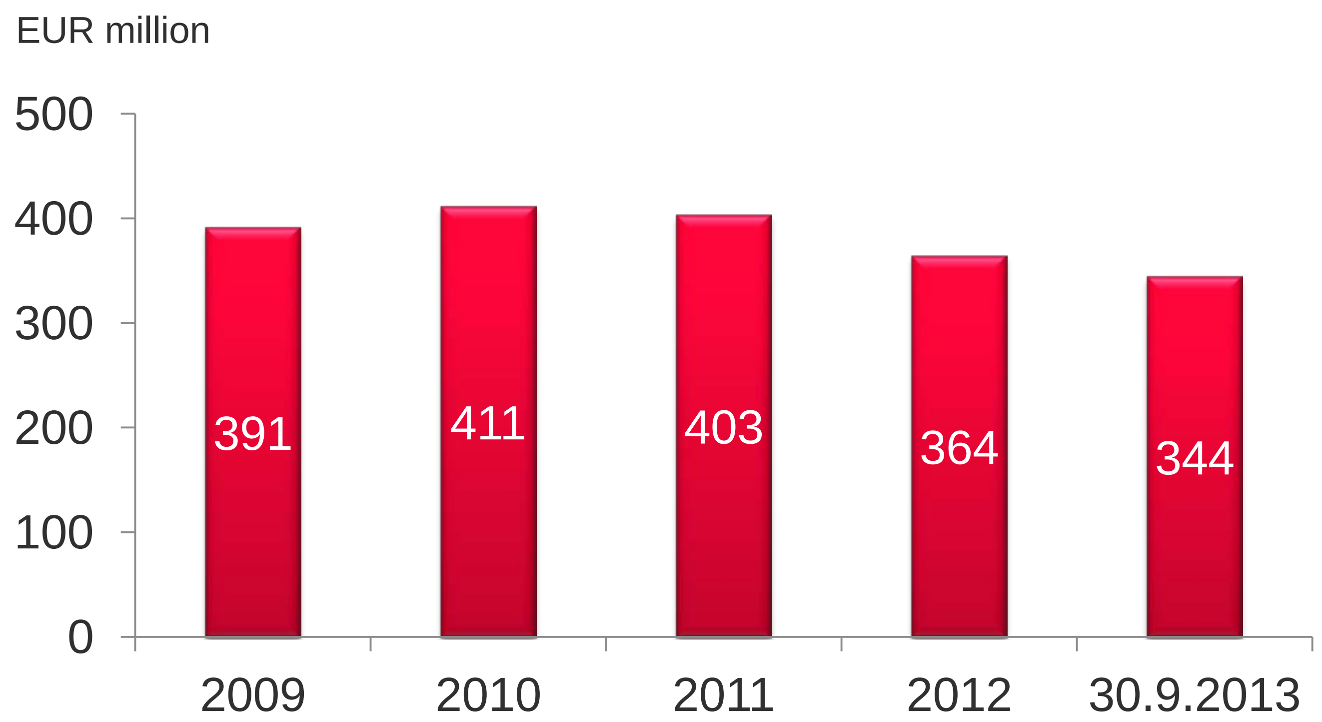
Atria Group
Cash flow statement

EUR million	Q1-Q3 2013	Q1-Q3 2012	2012
Cash flow from operating activities	59.6	42.2	119.2
Financial items and taxes	-14.7	-6.5	-19.6
Net cash flow from operating activities	44.8	35.7	99.6
Investing activities, tangible and intangible assets	-27.4	-40.0	-50.4
Acquired subsidiary shares	0.0	0.0	-1.8
Change in non-current receivables	-0.1	0.0	0.9
Investments	3.3	2.8	1.4
Net cash used in investing activities	-24.1	-37.3	-50.0
FREE CASH FLOW	**20.7**	**-1.5**	**49.7**
Proceeds from non-current borrowings	50.0	30.0	50.0
Repayments of non-current loans and changes in current loans	-53.5	-22.0	-94.6
Dividends paid	-6.2	-5.6	-5.6
Net cash used in financing activities	-9.7	2.4	-50.2
CHANGE IN LIQUID FUNDS	11.0	0.9	-0.6

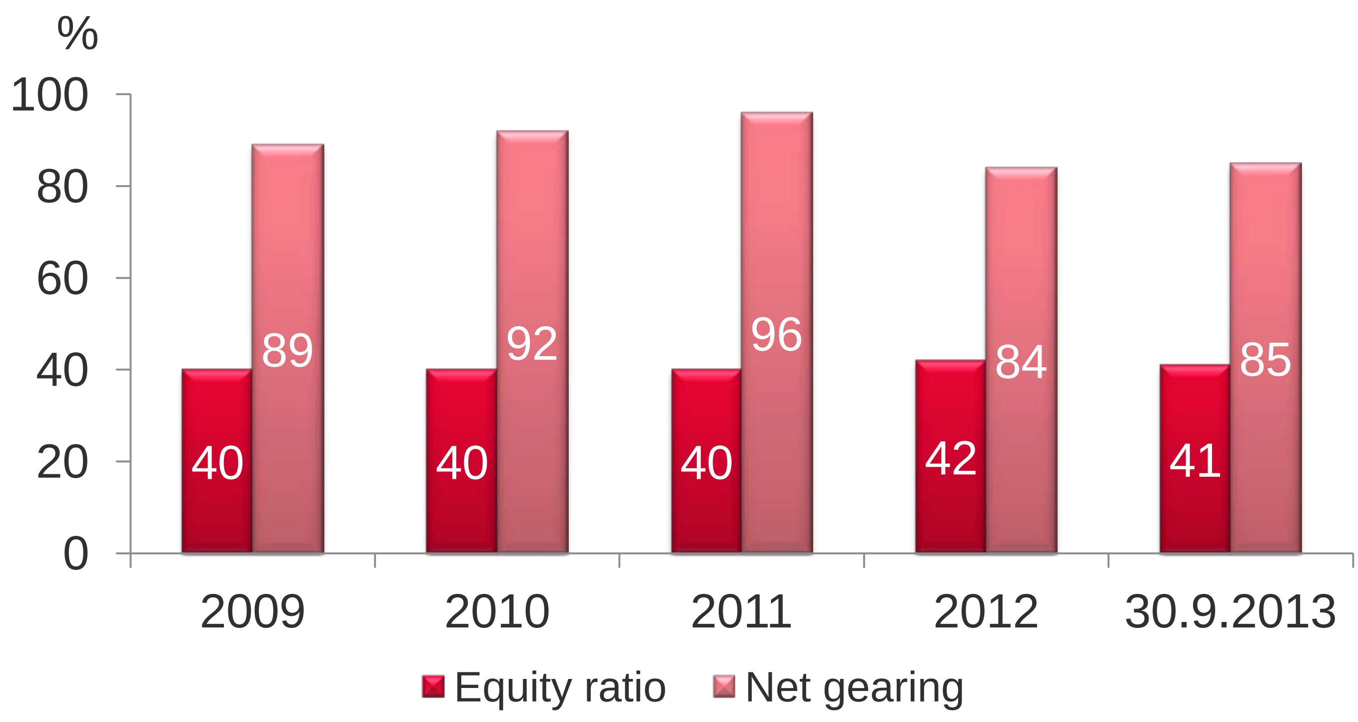
Atria Group
Gross investments



Atria Group
Net debts



Atria Group
Equity ratio & Net gearing



ATRIA PLC
Good food - better mood.

Events occurring after the period

- On 21 October 2013, Atria decided to discontinue its unprofitable primary pork production in Russia. Furthermore, the industrial production and logistics unit located in Moscow will be discontinued by the end of 2014. Pizza production will be transferred to the Gorelovo plant in St Petersburg, where investments amounting to EUR 4.6 million will be made. Sales in Moscow will continue under the Campomos brand. The impairments resulting from the discontinuation of business operations were recognised for Q3/2013. Atria recognised impairments totalling EUR 23.0 million, EUR 15.4 million of which was allocated to EBIT. Furthermore, EUR 2.0 million will be recognised as a provision for expenses related to the discontinuation of the aforementioned operations and will be allocated to Q4/2013.

- On 21 October 2013, Atria lowered its EBIT forecast due to the non-recurring costs of its Russian business operations. The company expects the full-year EBIT for 2013 to be weaker than the previous year's EBIT, which amounted to EUR 30.2 million. The company's EBIT without non-recurring items is expected to be higher than EUR 30.2 million. According to Atria's previous EBIT forecast, the Group's EBIT for 2013 was estimated to be higher than EUR 30.2 million.

- On 28 October 2013, the Finnish Competition and Consumer Authority (FCCA) gave its decision to commence phase two proceeding in a deal whereaby Atria Plc acquires Saarioinen Oy's slaughtering, meet cutting and meet procurement operations.

Outlook for the future

- Consolidated EBIT was EUR 30.2 million in 2012. In 2013, it is expected to be weaker. The company's EBIT without non-recurring items is expected to be higher than EUR 30.2 million.
- Net sales are expected to grow in 2013.

Good food, better mood.