Atria Plc

Financial Statement Release

1 January – 31 December 2016

ATRIA

Good food – better mood.

INTERIM REPORT OF ATRIA PLC 1 JANUARY - 31 DECEMBER 2016

Atria executes a strategy of Healthy Growth - investments, acquisitions and new market areas

October-December 2016

- Consolidated net sales totalled EUR 356.8 million (EUR 351.0 million).
- Consolidated EBIT was EUR 10.8 million (EUR 4.8 million), or 3.0% (1.4%) of net sales.
- Adjusted EBIT was EUR 10.8 million (EUR 13.8 million).
- Atria Finland received official confirmation that it had obtained a permit to export pork to China.
- Atria acquired a majority stake in Well-Beef Kaunismaa Ltd; the transaction was realised on 3 October 2016. Annual net sales are expected to grow by about EUR 40 million.

January-December 2016

- Consolidated net sales totalled EUR 1,351.8 million (EUR 1,340.2 million).
- Consolidated EBIT was EUR 31.8 million (EUR 28.9 million), or 2.3% (2.2%) of net sales.
- Adjusted EBIT was EUR 31.4 million (EUR 36.1 million).
- The business operations of the Lagerbergs poultry company were transferred to Atria as of the beginning of May. Annual net sales are expected to grow by about EUR 30 million. In June, Atria decided to invest EUR 14 million in the poultry operations in Sweden.
- EBIT growth was slowed by decreased sales prices, the costs of starting up the pig cutting plant and the costs incurred in taking over new businesses.
- The Board of Directors proposes that a dividend of EUR 0.46 be paid for each share for the financial year 2016.

EUR million	Q4 2016	Q4 2015	Q1-Q4 2016	Q1-Q4 2015
Net sales				
Atria Finland	246.6	248.0	932.3	929.0
Atria Scandinavia	88.3	83.8	343.4	330.5
Atria Russia	21.1	18.6	71.8	75.1
Atria Baltic	8.8	8.0	34.4	32.9
Eliminations	-8.0	-7.4	-30.1	-27.4
Total net sales	**356.8**	**351.0**	**1,351.8**	**1,340.2**
EBIT				
Atria Finland	10.8	13.7	24.2	29.8
Atria Scandinavia	0.7	3.2	8.4	12.8
Atria Russia	-0.6	-0.4	-0.7	-0.2
Atria Baltic	0.6	-9.1	0.7	-9.0
Unallocated	-0.8	-2.6	-0.8	-4.4
EBIT, total	**10.8**	**4.8**	**31.8**	**28.9**
EBIT%	**3.0 %**	**1.4 %**	**2.3 %**	**2.2 %**
Profit before taxes	**9.8**	**2.8**	**26.1**	**20.1**
Earnings per share, EUR	**0.22**	**0.11**	**0.65**	**0.49**
Non-recurring items included in the EBIT:				
Goodwill impairment	-	-9.1	-	-9.1
Sale of pig farms	-	-	-1.0	1.9
Sale of the real estate company	-	-	1.4	-
Adjusted EBIT	**10.8**	**13.8**	**31.4**	**36.1**

Juha Gröhn, CEO

"In 2016, the emphasis of the competition in the food industry was on price, and we expect the price competition to continue tough also in the near future. There is unused capacity in the industry, and meat raw materials are abundantly available in Europe for the present.

Atria's Healthy Growth strategy calls for active measures in product development, in the strengthening of brands and in finding new markets. Acquisitions are also an important part of growth. We have proceeded well in all of these areas and achieved results.

Atria's strategy is operationalised in seven focus areas, one of which is the efficient use of resources. We improve our efficiency in the use of raw and other materials, in energy production and utilisation, and in work productivity. The development combines both responsibility and financial viewpoints.

Atria made two acquisitions in 2016. With the acquisition of the Lagerbergs poultry company, we entered the Swedish poultry market, and the acquisition of Well-Beef Ltd introduced new products into our already strong beef offering.

We explore new market areas with determination. Atria's Nurmo plant obtained a permit to export pork to China at the end of 2016, and the first deliveries will be dispatched in May 2017. The goal is for China to become a solid market place for Atria in the coming years.

Continuous development of productivity is imperative. The investment in the new pig cutting plant advanced into implementation in the spring of 2016. The implementation increased cost levels momentarily, but towards the end of the year performance levels rose, and positive development continues."

October-December 2016

Atria Group's net sales for October-December totalled EUR 356.8 million (EUR 351.0 million). EBIT amounted to EUR 10.8 million (EUR 4.8 million). EBIT for the comparable period includes a goodwill impairment loss of EUR 9.1 million in Atria Baltic. The increase in net sales resulted from acquisitions realised in Finland and Sweden, Atria Russia's growing sales to retail and Atria Baltic's good sales. Tight competition and low sales prices across all accounts reduced Atria Finland's net sales.

The acquisition agreement between Atria and Well-Beef Kaunismaa (Kaivon Liha) was confirmed in the beginning of October. Atria acquired 70 percent of Well-Beef Kaunismaa's stock. The transaction price was EUR 15.3 million. Well-Beef Kaunismaa's business focuses on beef processing and wholesaling. The company's customers are mainly fast-food chains and other Food Service customers. Well-Beef Kaunismaa holds a strong position in the Finnish market as a manufacturer of high-quality hamburger patties and kebab products. The company's annual net sales amount to around EUR 40 million. Well-Beef Kaunismaa has a production plant in Turku with approximately 50 employees.

In October, Atria Finland received official confirmation that it had obtained a permit to export pork to China. Initiating exports to China is a major step in the development and expansion of Atria's businesses. The export operations will start in the beginning of May. The effect on Atria's net sales of exporting to China will become more apparent when commercial operations begin.

MSc (Econ.) Pasi Luostarinen was appointed Atria Group's Executive Vice President, Marketing and Market Insight and member of Atria Group's management team as of 1 December 2016. He has earlier worked as Senior Vice President, Marketing and Product Development at Atria Finland.

January-December 2016

Atria Group's net sales for January–December totalled EUR 1,351.8 million (EUR 1,340.2 million). EBIT amounted to EUR 31.8 million (EUR 28.9 million). Adjusted EBIT was EUR 31.4 million (EUR 36.1 million). Adjusted EBIT growth was slowed down by low sales volumes and prices, as well as by the costs of ramping up the pig cutting plant and those related to acquisitions.

Once completed, Atria Finland's new pig cutting plant will be one of Europe's most modern cutting plants. Thanks to the new technology in the pig cutting plant, meat will become traceable all the way back to the farm in even smaller batches. The cutting plant's productivity and competitiveness will increase considerably. The commissioning of the first phase of the cutting plant started in 2016. The entire project will be complete in 2017. The value of the investment is approximately EUR 36 million, and it is expected to generate annual cost savings of some EUR 8 million in the plant's operations. These savings will be realised in full as of the beginning of 2018. Employer-employee negotiations concerning the project have been concluded. Staffing was reduced by 80 person-years in the cutting plant.

In April, the Swedish Competition Authority and Consumer Agency unconditionally approved Atria's acquisition of the entire share capital of Lagerberg i Norjeby AB (Lagerbergs), a Swedish poultry company. The agreement between Atria and Lagerbergs was confirmed at the end of April and the business operations were transferred to Atria as of the start of May. The purchase price was EUR 18.7 million, and it was paid in cash. Atria's annual net sales are expected to grow by about EUR 30 million. The transaction expands Atria's business in Sweden into the poultry business.

In June, Atria's Board of Directors approved a long-term investment programme worth EUR 14 million for the development of the poultry business in Sweden. The investments will be devoted to improving the entire production chain, from chicken rearing and industrial production to product marketing. The investments will take place in the period from 2016 to 2018.

Atria centralised its logistics operations in Sweden by moving them from Gothenburg to the Malmö plant. The logistics centre in Gothenburg was sold for a profit of EUR 1.4 million.

Atria sold the Linnamäe pig farm located in Northern Estonia. The sale of the Linnamäe pig farm gave rise to a sales loss of approximately EUR 1 million. The pig farm was transferred into new ownership as of 29 April 2016.

Atria centralised its industrial operations in Estonia at the Valga factory. Production of meat products was transferred from the Vastse-Kuuste factory to Valga and the real estate was sold. The sale had no impact on the company's results. Production rearrangements were concluded by the end of the second quarter. The measures are expected to generate annual savings of approximately EUR 0.5 million.

Business development by area January-December 2016

Atria Finland

EUR million	Q4 2016	Q4 2015	Q1-Q4 2016	Q1-Q4 2015
Net sales	246.6	248.0	932.3	929.0
EBIT	10.8	13.7	24.2	29.8
EBIT%	4.4 %	5.5 %	2.6 %	3.2 %
Non-recurring items	-	-	-	-
Adjusted EBIT	10.8	13.7	24.2	29.8

Atria Finland's net sales for October–December totalled EUR 246.6 million (EUR 248.0 million). EBIT amounted to EUR 10.8 million (EUR 13.7 million). The operations of Well-Beef Kaunismaa were consolidated into Atria as of the beginning of October. Atria did not take part in the intensified price competition in the retail and Food Service markets and, as a result, sales volumes decreased in comparison with the comparable period of last year. The decrease in sales volumes and the low price levels depressed EBIT. The commissioning of the new pig cutting plant continued.

Net sales for January-December amounted to EUR 932.3 million (EUR 929.0 million). Increased sales volumes at the beginning of the year enabled net sales to grow. At the end of the year, growth slowed down due to tight price competition and decreased sales prices. EBIT amounted to EUR 24.2 million (EUR 29.8 million). Low sales prices and the costs of the transitional phase related to commissioning the new pig cutting plant had a negative effect on EBIT.

In October, Atria Finland received official confirmation that it had obtained a permit to export pork to China. Initiating exports to China is a major step in the development and expansion of Atria's businesses. The export operations will start in the beginning of May. The effect on Atria's net sales of exporting to China will become more apparent when commercial operations begin.

The market for the product groups represented by Atria in Finland showed an increase in value of about 2 percent in October-December. The largest market growth element was convenience food, but also poultry and cooking products grew slightly. Atria's producer market share in retail trade was slightly more than 23 percent. The total value of the market for the product groups represented by Atria increased by about one percent in 2016 as a whole. Atria's producer market share in retail trade was about 25 percent in the year as a whole. (Source: Atria)

Once completed, Atria Finland's new pig cutting plant will be one of Europe's most modern cutting plants. Thanks to the new technology in the pig cutting plant, meat will become traceable all the way back to the farm in even smaller batches. The cutting plant's productivity and competitiveness will increase considerably. The commissioning of the first phase of the cutting plant started in 2016. The entire project will be complete in 2017. The value of the investment is approximately EUR 36 million, and it is expected to generate annual cost savings of some EUR 8 million in the plant’s operations. These savings will be realised in full as of the beginning of 2018. Employer-employee negotiations concerning the project have been concluded. Staffing was reduced by 80 person-years in the cutting plant.

In September, the Finnish Competition and Consumer Authority unconditionally approved Atria's acquisition of a 70% stake in Well-Beef Kaunismaa Ltd. The agreement between Atria and Well-Beef Kaunismaa to conclude the acquisition was confirmed on 3 October 2016. The transaction price was EUR 15.3 million. Well-Beef Kaunismaa's business focuses on beef processing and wholesaling. The company's customers are mainly fast-food chains and other Food Service customers. Well-Beef Kaunismaa holds a strong position in the Finnish market as a manufacturer of high-quality hamburger patties and kebab products. Well-Beef Kaunismaa's product range complements Atria's selections of beef products. The company's annual net sales amount to around EUR 40 million. Well-Beef Kaunismaa has a production plant in Turku with approximately 50 employees.

Altia Plc's feed business was transferred to Atria as of 1 April 2016. The transfer did not include any significant assets or liabilities. Atria will be solely responsible for processing the raw-material fractions that are produced as a result of Atria's starch and ethanol processes and are used to make protein and fibre feeds for pigs and cattle.

Atria is part of the national Energy Efficiency Agreement System. The system's first term was implemented in 2008–2016. Atria achieved the rationalisation goal of nine percent during the term. Energy consumption management is under further development, and Atria is committed to the new term started at the beginning of the year and ending in 2025. The rationalisation goal is 7.5% of the energy consumption level of 2015.

Atria Scandinavia

EUR million	Q4 2016	Q4 2015	Q1-Q4 2016	Q1-Q4 2015
Net sales	88.3	83.8	343.4	330.5
EBIT	0.7	3.2	8.4	12.8
EBIT%	0.8 %	3.8 %	2.4 %	3.9 %
Non-recurring items				
Sale of the real estate company	-	-	1.4	-
Adjusted EBIT	0.7	3.2	7.0	12.8

Atria Scandinavia's net sales for October-December quarter totalled EUR 88.3 million (EUR 83.8 million). EBIT amounted to EUR 0.7 million (EUR 3.2 million). The increase in net sales was mainly due to the acquired poultry company. The decline in EBIT was due to the higher raw material price level compared to the comparable period and the unfavorable sales mix. EBIT includes costs incurred in the reorganisations of operations.

Net sales for January-December amounted to EUR 343.4 million (EUR 330.5 million). EBIT amounted to EUR 8.4 million (EUR 12.8 million). Adjusted EBIT was EUR 7.0 million (EUR 12.8 million). The increase in net sales was mainly due to the poultry business acquired in April 2016. EBIT was weighed down by increases in raw material costs, effects of the sales structure and the costs incurred in taking over the poultry operations.

In 2016, the total retail market in Sweden for cold cuts decreased by 0.8 percent in value. In this market, Atria's market share was reduced compared to private labels. In Denmark, the market for cold cuts grew by 0.7 percent, and Atria strengthened its market share by about one percentage point. The Swedish retail market for sausages grew by 2.6 percent, and Atria strengthened its producer share. (Source: AC Nielsen)

Demand for poultry and vegetarian products is increasing in Sweden. Atria meets the growing consumer demand with its Lagerbergs poultry product selection. Several new products were launched within Atria's TZAY vegetarian product selection. Atria launched organic cold cuts under the Arbogapastej, Pastejköket and Aalbaek brands. Lithells Signature, a new family of additive-free products, was developed for Food Service customers.

Atria acquired the Lagerbergs poultry company at the end of April and the business operations were transferred to Atria as of the beginning of May. The purchase price was EUR 18.7 million, and it was paid in cash. The takeover of the business has proceeded as planned. Atria's annual net sales are expected to grow by about EUR 30 million. In June, Atria's Board of Directors approved a long-term investment programme worth EUR 14 million for the development of the poultry business. The investments will be devoted to improving the entire production chain, from chicken rearing and industrial production to product marketing. The investments will take place in the period from 2016 to 2018.

Atria centralised its logistics operations in Sweden by moving them from Gothenburg to the Malmö plant. The logistics centre in Gothenburg was sold for a profit of EUR 1.4 million.

In October, Atria launched an efficiency improvement programme in Sweden and Denmark, aimed at improving the profitability of Atria Scandinavia business area. The efficiency improvement programme is targeted to generate annual savings of EUR 1.4 million.

In January 2017, after the review period, the Danish Competition and Consumer Authority (Konkurrence- og Forbrugerstyrelsen) announced that it will end the investigation concerning Atria Scandinavia's subsidiary, Atria Danmark A/S. The investigation was based on a complaint alleging that Atria Danmark A/S had attempted to influence its retail customers and persuade them to increase their own sales prices. The authorities found no grounds for the continuation of the investigation.

There were approximately 30 different projects related to corporate responsibility underway within the Atria Handprint programme. A key focus during the review period was on projects related to ensuring occupational safety, developing personnel, decreasing food waste and decreasing greenhouse gas emissions.

Atria Russia

EUR million	Q4 2016	Q4 2015	Q1-Q4 2016	Q1-Q4 2015
Net sales	21.1	18.6	71.8	75.1
EBIT	-0.6	-0.4	-0.7	-0.2
EBIT%	-2.7 %	-2.3 %	-0.9 %	-0.3 %
Non-recurring items:				
Pig farm sale	-	-	-	1.9
Adjusted EBIT	-0.6	-0.4	-0.7	-2.1

Atria Russia's net sales for October-December quarter amounted to EUR 21.1 million (EUR 18.6 million). In the local currency, net sales grew by 8.3 per cent. EBIT was EUR -0.6 million (EUR -0.4 million). The increase in net sales was due to increased sales to retail; the Christmas and New Year season sale was a success. Furthermore, the strong sales of Sibylla products continued until the end of the year. In the review period, the result was brought down by an increase in meat raw material costs and marketing costs.

Net sales for January-December amounted to EUR 71.8 million (EUR 75.1 million). In the local currency, net sales grew by 4.2 percent. EBIT was EUR -0.7 million (EUR -0.2 million). Adjusted EBIT was EUR -0.7 million (EUR -2.1 million). Adjusted EBIT was boosted by increased sales of Sibylla products and sales to retail, especially in the latter half of the year. In 2016, sales of the Sibylla concept continued to grow. The number of outlets is now over 2,800.

Atria Baltic

	Q4	Q4	Q1-Q4	Q1-Q4
EUR million	**2016**	**2015**	**2016**	**2015**
Net sales	8.8	8.0	34.4	32.9
EBIT	0.6	-9.1	0.7	-9.0
EBIT%	7.2 %	-113.6 %	2.0 %	-27.3 %
Non-recurring items:				
Pig farm sale	-	-	-1.0	-
Goodwill impairment	-	-9.1	-	-9.1
Adjusted EBIT	0.6	0.0	1.7	0.1

Atria Baltic's net sales for October-December amounted to EUR 8.8 million (EUR 8.0 million). EBIT was EUR 0.6 million (EUR -9.1 million). EBIT for the comparable period includes a goodwill impairment loss of EUR 9.1 million. Sales volumes were good. Sales of new minced meat products increased net sales.

Net sales for January-December amounted to EUR 34.4 million (EUR 32.9 million). EBIT was EUR 0.7 million (EUR -9.0 million). Adjusted EBIT was EUR 1.7 million (EUR 0.1 million). EBIT for the comparable period includes a goodwill impairment loss of EUR 9.1 million. Atria's sales to retail increased in the first half of the year. The launching of new types of minced meat products in January increased sales and improved market share in retail. EBIT improved thanks to the productivity and cost efficiency of operations.

Atria centralised its industrial operations in Estonia at the Valga factory. Production of meat products was transferred from the Vastse-Kuuste factory to Valga and the real estate was sold. The sale had no impact on the company's results. Production rearrangements were concluded by the end of the second quarter. The measures are expected to generate annual savings of approximately EUR 0.5 million.

Atria sold the Linnamäe pig farm located in Northern Estonia in April. The sale of the Linnamäe pig farm gave rise to a sales loss of approximately EUR 1 million.

Average personnel (FTE)

Average personnel by business area (FTE)	Q1-Q4 2016	Q1-Q4 2015
Atria Finland	2,214	2,214
Atria Scandinavia	980	930
Atria Russia	819	812
Atria Baltic	302	315
Total	4,315	4,271

Financial position

In April, Atria Plc repaid bullet loans that totalled EUR 50 million and would have matured in April 2018, and replaced these with a seven-year bullet loan worth EUR 40 million. In June, the company refinanced a committed credit facility of EUR 25 million due to mature in June 2018 by taking out a new EUR 30 million committed credit facility with a maturity of five years. In November, the company raised a five-year bullet loan of EUR 40 million.

During the period under review, the Group’s free cash flow (operating cash flow - cash flow from investments) was EUR -2.5 million (EUR +65.9 million). The cash flow from investments includes sold operations of EUR 5.2 million (EUR 33.7 million), and acquired operations of EUR -30.2 million (EUR -5.5 million). Because of earnings and working capital items, the cash flow from operations declined from previous year. The Group’s investments during the period totalled EUR 82.9 million (EUR 56.9 million).

Interest-bearing net liabilities amounted to EUR 213.3 million (31 December 2015: EUR 195.5 million). The equity ratio was 46.5 percent (31 December 2015: 47.4 %). Netted translation differences with the Russian rouble and the Swedish krona recognised under equity increased equity by EUR +6.6 million (EUR -4.6 million) in the period from January to December.

On 31 December 2016, the amount of the Group's undrawn committed credit facilities stood at EUR 105.0 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 3 years 9 months (31 December 2015: 3 years 1 month).

Events after the period under review

The Danish Competition and Consumer Authority (Konkurrence- og Forbrugerstyrelsen) ended the investigation concerning Atria Scandinavia's subsidiary, Atria Danmark A/S. The start of the investigation was announced in a press release on 23 June 2016. The authorities found no grounds for the continuation of the investigation.

In January, Atria Finland Ltd signed a delivery agreement to export the first meat batch to China. Atria will deliver about three million kilograms of frozen pork products to its Chinese customers during 2017. The delivery includes all products derived from a pig's carcase. The first delivery batch will be sent in the beginning of May.

Together with Nurmon Aurinko Oy, Atria will build the largest solar power plant in Finland next to the Nurmo production plant. The project will produce the first industrial-scale solar power plant in Finland, generating completely renewable, emission-free, Finnish solar power for the food industry. The planning phase of the project will begin right away. The largest solar power plant in Finland will be built in phases within the next two years and the first solar panel fields will be deployed already in the summer of 2017. The Ministry of Economic Affairs and Employment has granted Atria Finland's solar power plant project a EUR 2.7 million investment grant. The total value of the project is EUR 6.8 million. Established for the purpose of the project, Nurmon Aurinko Oy will execute the investment and be responsible for equipment maintenance.

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

Possible risks in Atria's operations are related to the implementation of strategy, maintaining or improving the financial results of business areas as well as the integration of businesses. The general economic climate, market development and competitors' operations also have an impact on Atria's 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 risks in Atria's operational environment.

African swine fever continues to cause disruption in Estonia. The risk is that African swine fever will spread to Finland. Atria has taken several precautionary measures to prevent the disease from spreading into its production facilities, and strives to manage the risk.

Fluctuations in the value of the rouble are reflected in Atria Russia's rouble-denominated net sales and result. As a risk-management measure, Atria Russia uses increasing amounts of local raw materials.

Outlook for the future

Consolidated EBIT was EUR 31.8 million in 2016. In 2017, EBIT is expected to be better than in 2016. In 2017, net sales are expected to grow.

Board of Directors' proposal for profit distribution

The Board of Directors proposes that a dividend of EUR 0.46 be paid for each share for the financial year 2016.

Financial calendar 2017

The annual report for 2016, the Board of Directors' annual report and the corporate governance statement will be published in week 13/2017.

Atria Plc will publish two interim reports and one half-year report in 2017:

- Interim report for January to March: 27 April 2017 at approximately 8:00 am
- Half-year report for January to June: 20 July 2017 at approximately 8:00 am
- Interim report for January to September: 26 October 2017 at approximately 8:00 am

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

Annual General Meeting 2017

The Annual General Meeting of Atria Plc will be held in Helsinki on 27 April 2017. Under the Limited Liability Companies Act, a shareholder has the right to have a matter falling within the competence of the General Meeting dealt with by the General Meeting if the shareholder so demands in writing from the Board of Directors well in advance of the meeting, so that the matter can be mentioned in the notice. The Board of Directors must be notified of such a demand by 16 February 2017 in order for it to be dealt with at the General Meeting. The demand, with accompanying justification or proposed resolution, must be sent in writing to Atria Plc, Group Legal Affairs, Läkkisepäntie 23, FI-00620 Helsinki.

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.

The Nomination Committee's proposals to the Annual General Meeting

The Nomination Committee elected Juho Anttikoski as chairman of the Committee.

The Nomination Committee has decided to propose to the General Meeting that a total of eight members be elected to the Board of Directors. The Nomination Committee has decided to propose to the General Meeting that two members be elected to replace resigning members. The Nomination Committee has decided to propose to the General Meeting that Seppo Paavola and Jukka Moisio, who are due to resign, be re-elected as members of the Board of Directors.

The Nomination Committee has decided to propose to the General Meeting that the remuneration of the members of the Board of Directors be raised. The proposed new remuneration is as follows:

- Meeting compensation: EUR 300/meeting
- Compensation for loss of working time: EUR 300 for meeting and proceeding dates
- Fee of the chairman of the Board of Directors: EUR 4,700/month
- Fee of the deputy chairman: EUR 2,500/month
- Fee of a member of the Board of Directors: EUR 2,000/month
- Travel allowance according to the company's travel policy

The Nomination Committee has decided to propose to the General Meeting that the remuneration of the members of the Supervisory Board be kept at the same level as in 2016. Remuneration and compensation for meeting expenses were as follows:

- Meeting compensation: EUR 250/meeting
- Compensation for loss of working time: EUR 250 for meeting and proceeding dates
- Fee of the chairman of the Supervisory Board EUR 1,500/month
- Fee of the deputy chairman: EUR 750/month
- Travel allowance according to the company's travel policy

Decisions of Atria Group Plc's Annual General Meeting on 28 April 2016

The General Meeting approved the financial statements and the consolidated financial statements for the financial year from 1 January to 31 December 2015, 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 2015.

The General Meeting decided that a dividend of EUR 0.40 per share will be paid for the financial year that ended on 31 December 2015. Dividends are paid to shareholders listed on the company's shareholder register, kept by Euroclear Finland Oy, on the record date for the payment of dividends. The record date was 2 May 2016 and the date of payment was 10 May 2016.

Composition and remuneration of the Supervisory Board

The AGM decided that the composition of the Supervisory Board would be as follows:

Member	Term ends
Juho Anttikoski	2019
Mika Asunmaa	2019
Reijo Flink	2017
Lassi-Antti Haarala	2018
Jussi Hantula	2018
Henrik Holm	2018
Hannu Hyry	2019
Veli Hyttinen	2017
Pasi Ingalsuo	2017
Jussi Joki-Erkkilä	2018

Marja-Liisa Juuse	2018
Jukka Kaikkonen	2019
Juha Kiviniemi	2017
Ari Lajunen	2018
Mika Niku	2018
Pekka Ojala	2017
Heikki Panula	2019
Ahti Ritola	2019
Risto Sairanen	2017
Timo Tuhkasaari	2017
A total of 20 members	

The General Meeting decided that the remuneration of the members of the Supervisory Board would remain unchanged. 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 General Meeting decided that the Board of Directors would consist of eight members. Jyrki Rantsi, who was due to resign, was re-elected as a Board member for the next three-year term. Pasi Korhonen and Nella Ginman-Tjeder joined the Board as new members for the next three-year term. It was further stated that Seppo Paavola, Esa Kaarto, Jukka Moisio, Kjell-Göran Paxal and Harri Sivula shall continue as members of the Board of Directors. The terms of Seppo Paavola and Jukka Moisio will expire at the closing of the AGM in 2017 and those of Esa Kaarto, Kjell-Göran Paxal and Harri Sivula will expire at the closing of the AGM in 2018.

The AGM decided that the remuneration of the members of the Board of Directors would remain unchanged. The fees are as follows: 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 4,400 per month; fee payable to the Deputy Chairman: EUR 2,200 per month; and fee payable to members of the Board of Directors: EUR 1,700 per month, with all travel expense compensation in accordance with the company's travel policy.

Auditors

The General Meeting elected PricewaterhouseCoopers Oy as the company’s auditor for a 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 AGM decided that the auditor’s fee will be paid against an invoice approved by the company.

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

The General Meeting authorised the Board of Directors to decide, on one or several occasions, on the acquisition of a maximum of 2,800,000 of the company's own A shares 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 scheme, 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 28 April 2015 to the Board of Directors to decide on the acquisition of the company's own shares and it shall remain valid until the closing of the next Annual General Meeting or until 30 June 2017, 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 7,000,000 new series A shares or on an issue of any series A shares held by the company through a share issue and/or by granting option rights or other special rights entitling holders 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 programme or for other purposes subject to the Board of Directors' decision.

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 28 April 2015 to the Board of Directors, and is valid until the closing of the next Annual General Meeting or until 30 June 2017, whichever is first.

The General Meeting decided, in accordance with the Board of Directors' proposal, to authorise the Board of Directors to decide on the donation of a maximum of EUR 100,000 to universities or other educational institutions.

Share premium reductions

The General Meeting decided that the share premium belonging to restricted equity as stated on the parent company's balance sheet on 31 December 2015 will be reduced by transferring all of the assets – a total of EUR 138,502,108.85 – into the company's invested unrestricted equity fund. The share premium reduction will not give rise to costs and it will not affect the number of shares in the company, the rights conferred by the shares or the shareholders' relative ownership stakes.

The share premium was reduced on 31 August 2016 when all of the assets – a total of EUR 138,502,108.85 – were transferred into the company's invested unrestricted equity fund.

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.

Incentive schemes for management

Long-term incentive plan

Atria’s long-term incentive plan includes an earning period consisting of three year-long periods.

All payments from the earning period to be implemented in 2015–2017 will be based on the Group’s earnings per share (EPS) excluding non-recurring items. Bonuses earned during the period will be paid in instalments in forthcoming years. Cash rewards payable under the plan for the entire 2015–2017 earning period are capped at EUR 4.5 million. The plan will expire on 31 December 2017, and it covers a maximum of 45 people.

Short-term incentive plan

The maximum amount of merit pay under the short-term incentive plan is 35 to 50 per cent of the annual salary, depending on the effect on the results and the level of competence required to perform the duties. The criteria in the merit pay scheme are the performance requirements and net sales at Group level and in the area of responsibility of the person concerned. In addition to the CEO and other members of the management team, Atria Plc's merit pay scheme covers approximately 40 people.

Major shareholders

Largest shareholders on 31 December 2016

	KII	A	Total	%
Itikka Co-operative	4,914,281	3,537,652	8,451,933	29.90
Lihakunta	4,020,200	3,838,797	7,858,997	27.80
Mandatum Life		1,017,858	1,017,858	3.60
Pohjanmaan Liha Co-operative	269,500	480,038	749,538	2.65
Varma Mutual Pension Insurance Company		524,640	524,640	1.86
Oy Etra Invest Ab		200,000	200,000	0.71
OP Life Insurance Ltd		176,272	176,272	0.62
Investment Fund Taalerintehdas Arvo Markka Osake		130,000	130,000	0.46
Elo Mutual Pension Insurance Company		126,289	126,289	0.45
Norvestia Oyj		125,672	125,672	0.44

Largest shareholders in terms of voting rights, 31 December 2016

	KII	A	Total	%
Itikka Co-operative	49,142,810	3,537,652	52,680,462	47.42
Lihakunta	40,202,000	3,838,797	44,040,797	39.64
Pohjanmaan Liha Co-operative	2,695,000	480,038	3,175,038	2.86
Mandatum Life		1,017,858	1,017,858	0.92
Varma Mutual Pension Insurance Company		524,640	524,640	0.47
Oy Etra Invest Ab		200,000	200,000	0.18
OP Life Insurance Ltd		176,272	176,272	0.16
Investment Fund Taalerintehdas Arvo Markka Osake		130,000	130,000	0.12
Elo Mutual Pension Insurance Company		126,289	126,289	0.11
Norvestia Oyj		125,672	125,672	0.11

FINANCIAL INDICATORS
mill. EUR

	31.12.16	31.12.15	31.12.14	31.12.13	31.12.12
Net sales	1,351.8	1,340.2	1,426.1	1,411.0	1,343.6
EBIT	31.8	28.9	40.6	19.7	30.2
% of net sales	2.3	2.2	2.8	1.4	2.2
Financial income and expenses	-6.3	-9.2	-12.7	-15.2	-14.7
% of net sales	-0.5	-0.7	-0.9	-1.1	-1.1
Profit before tax	26.1	20.1	34.0	6.9	18.9
% of net sales	1.9	1.5	2.4	0.5	1.4
Return of equity (ROE), %	4.7	3.6	6.6	-1.0	2.4
Return of investment (ROI), %	5.9	5.6	8.3	3.7	4.7
Equity ratio, %	46.5	47.4	44.0	42.2	41.5
Interest-bearing liabilities	217.8	199.6	254.1	334.7	370.5
Gearing, %	51.6	49.3	62.6	81.3	85.9
Net gearing, %	50.5	48.3	61.8	74.3	84.3
Gross investments in fixed assets	82.9	56.9	62.7	41.1	56.2
% of net sales	6.1	4.2	4.4	2.9	4.2
Average FTE	4,315	4,271	4,715	4,669	4,898
R&D costs	13.1	12.4	13.9	11.8	12.0
% of net sales *	1.0	0.9	1.0	0.8	0.9
Volume of orders **	-	-	-	-	-

* Booked in total as expenditure for the financial year
** Not a significant indicator, as orders are generally delivered on the day following the order being placed

SHARE-ISSUE ADJUSTED PER-SHARE INDICATORS

	31.12.16	31.12.15	31.12.14	31.12.13	31.12.12
Earnings per share (EPS), EUR	0.65	0.49	0.93	-0.15	0.35
Shareholders' equity per share, EUR	14.49	14.16	14.22	14.45	15.15
Dividend per share, EUR*	0.46	0.40	0.40	0.22	0.22
Dividend per profit, %*	71.2	81.9	43.0	-142.8	63.1
Effective dividend yield *	4.0	4.4	6.0	2.8	3.5
Price per earnings (P/E)	17.8	18.5	7.1	-50.2	17.9
Market capitalisation	324.8	255.8	187.1	218.5	177.0
Market capitalisation, series A	219.0	172.5	126.2	147.4	119.3
Share turnover per 1 000 shares, series A	3 313	5 443	3 035	3 223	3 460
Share turnover %, series A	17.4	28.6	15.9	16.9	18.1
Number of shares, million, total	28.3	28.3	28.3	28.3	28.3
Number of shares, series A	19.1	19.1	19.1	19.1	19.1
Number of shares, series KII	9.2	9.2	9.2	9.2	9.2
Share issue-adjusted average number of shares	28.3	28.3	28.3	28.3	28.3
Share issue-adjusted number of shares on 31 December	28.3	28.3	28.3	28.3	28.3

* The Board of Directors proposal from year 2016 for the Annual Meeting to be held on April 27 2017.

Share price development, series A (EUR)					
Lowest of period, series A	7.61	6.62	6.43	6.01	4.76
Highest of period, series A	12.22	10.50	8.89	8.39	7.08
At end of period, series A	11.49	9.05	6.62	7.73	6.26
Average price for period, series A	9.49	9.03	7.46	7.21	5.89

ATRIA GROUP

CONSOLIDATED INCOME STATEMENT

EUR million	10-12/16	10-12/15	1-12/16	1-12/15
Net sales	**356.8**	**351.0**	**1,351.8**	**1,340.2**
Costs of goods sold	-310.6	-303.0	-1,187.4	-1,176.9
Gross profit	**46.2**	**48.0**	**164.4**	**163.3**
Sales and marketing expenses	-23.8	-22.7	-89.4	-87.6
Administrative expenses	-10.9	-11.4	-43.0	-41.5
Other operating income	1.3	0.7	4.6	5.5
Other operating expenses	-2.0	-9.9	-4.8	-10.7
EBIT	**10.8**	**4.8**	**31.8**	**28.9**
Finance income and costs	-1.6	-1.9	-6.3	-9.2
Income from joint ventures and associates	0.7	-0.1	0.7	0.4
Profit/loss for before tax	**9.8**	**2.8**	**26.1**	**20.1**
Income taxes	-3.1	0.6	-6.6	-5.5
Profit/loss for the period	**6.7**	**3.5**	**19.6**	**14.6**
Profit attributable to:				
Owners of the parent	6.3	3.2	18.2	13.8
Non-controlling interests	0.4	0.2	1.4	0.8
Total	**6.7**	**3.5**	**19.6**	**14.6**
Basic earnings per share, EUR	0.22	0.11	0.65	0.49
Diluted earnings per share, EUR	0.22	0.11	0.65	0.49

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR million	10-12/16	10-12/15	1-12/16	1-12/15
Profit/loss for the period	**6.7**	**3.5**	**19.6**	**14.6**
Other comprehensive income after tax:				
Items that will not be reclassified to profit or loss				
Actuarial gains/losses from benefit-based pension obligations	0.0	0.4	0.0	0.4
Items reclassified to profit or loss when specific conditions are met				
Available-for-sale financial assets	-	-	-	-0.2
Cash flow hedges	1.1	0.7	1.8	0.2
Currency translation differences	4.7	-1.6	6.6	-4.6
Total comprehensive income for the period	**12.5**	**2.9**	**27.9**	**10.5**
Total comprehensive income attributable to:				
Owners of the parent	12.1	2.6	26.7	9.6
Non-controlling interests	0.4	0.3	1.3	0.9
Total	**12.5**	**2.9**	**27.9**	**10.5**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Assets EUR million	31.12.16	31.12.15
Non-current assets		
Property, plant and equipment	404.0	394.7
Biological assets	0.6	0.7
Goodwill	169.9	157.9
Other intangible assets	93.6	79.2
Investments in joint ventures and associates	13.6	13.1
Other financial assets	1.1	1.1
Loans and other receivables	11.1	11.2
Deferred tax assets	7.4	7.0
Total	**701.3**	**665.0**
Current assets		
Inventories	89.8	80.8
Biological assets	3.2	3.1
Trade and other receivables	110.5	102.3
Cash and cash equivalents	4.6	4.1
Total	**208.1**	**190.4**
Total assets	**909.4**	**855.4**

Equity and liabilities EUR million	31.12.16	31.12.15
Equity attributable to the shareholders of the parent company	409.7	400.2
Non-controlling interests	12.4	4.6
Total equity	**422.2**	**404.8**
Non-current liabilities		
Interest-bearing financial liabilities	177.9	155.6
Deferred tax liabilities	49.2	45.3
Pension obligations	7.2	7.4
Other non-interest-bearing liabilities	10.8	5.9
Total	**245.0**	**214.2**
Current liabilities		
Interest-bearing financial liabilities	40.0	44.0
Trade and other payables	202.3	192.3
Total	**242.3**	**236.3**
Total liabilities	**487.3**	**450.6**
Total equity and liabilities	**909.4**	**855.4**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

EUR million	Equity attributable to the shareholders of the parent company								Non-controlling interests	Total equity
	Share capital	Share premium	Treasury shares	Other funds	Inv. non-rest. equity fund	Translation diff.	Retained earnings	Total		
Equity 1.1.15	**48,1**	**138,5**	**-1,3**	**-4,4**	**110,6**	**-46,8**	**157,2**	**401,9**	**3,7**	**405,6**
Comprehensive income for the period										
Profit for the period							13,8	13,8	0,8	14,6
Other comprehensive income										
Available-for-sale financial assets				-0,2				-0,2		-0,2
Acturial gains							0,4	0,4		0,4
Cash flow hedges				0,2				0,2		0,2
Currency translation differences				0,0		-4,6		-4,6	0,1	-4,6
Transactions with owners										
Dividends							-11,3	-11,3		-11,3
Equity 31.12.15	**48,1**	**138,5**	**-1,3**	**-4,4**	**110,6**	**-51,4**	**160,2**	**400,2**	**4,6**	**404,8**
Transfer between accounts		-138,5			138,5			0,0		0,0
Amount of non-controlling interest related to acquisition of the subsidiary							-5,9	-5,9	6,6	0,7
Comprehensive income for the period										
Profit for the period							18,2	18,2	1,4	19,6
Other comprehensive income										
Acturial losses							0,0	0,0		0,0
Cash flow hedges				1,8				1,8		1,8
Currency translation differences				0,0		6,7		6,7	-0,1	6,6
Transactions with owners										
Dividends							-11,3	-11,3		-11,3
Equity 31.12.16	**48,1**	**0,0**	**-1,3**	**-2,5**	**249,1**	**-44,7**	**161,2**	**409,7**	**12,4**	**422,2**

CONSOLIDATED CASH FLOW STATEMENT

EUR million	1-12/16	1-12/15
Cash flow from operating activities		
Operating activities before financial items and taxes	74.4	96.4
Financial items and taxes	-9.6	-8.2
Net cash flow from operating activities	**64.8**	**88.2**
Cash flow from investing activities		
Tangible and intangible assets	-42.6	-50.2
Acquired operations, net of cash acquired	-30.2	-5.5
Sold operations	5.2	33.7
Non-current receivables	1.4	0.2
Dividends received	0.1	0.6
Current receivables	-1.3	-1.1
Net cash used in investing activities	**-67.3**	**-22.3**
Cash flow from financing activities		
Proceeds from long-term borrowings	113.3	30.2
Repayment of long-term borrowings	-88.3	-40.8
Changes in short-term borrowings	-9.6	-44.3
Dividends paid	-11.3	-11.3
Net cash used in financing activities	**4.1**	**-66.2**
Change in liquid funds	**1.7**	**-0.3**
Cash and cash equivalents at beginning of year	4.1	3.4
Effect of exchange rate changes	-1.2	1.0
Cash and cash equivalents at the end of period	**4.6**	**4.1**

The content of the cash flow statement items have been changed in 2016.

Comparative information has been changed to correspond to current year presentation.

NOTES TO THE INTERIM REPORT

INTERIM REPORT ACCOUNTING POLICIES

This interim report has been prepared in accordance with the IAS 34 Interim Financial Reporting standard. Atria has applied the same principles in preparing this report as in preparing the 2015 annual financial statements. However, as of 1 January 2016, the Group uses new or revised IFRS standards and IFRIC interpretations published by the IASB, referred to in the accounting principles of the 2015 annual financial statements. These new or revised standards and interpretations did not have any impact on the figures presented for the review period.

Alternative indicators used in financial reporting
Atria has begun complying with the instructions issued by the European Securities and Market Authority (ESMA) concerning alternative indicators. 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 recognised in the income statement for items that affect comparability. These may include events that are not part of the company's ordinary business activities, such as capital gains and losses from the sale of operations, impairment, the costs of discontinuing significant operations and costs arising from the reorganisation of operations. The items that have affected the adjusted EBIT during the reporting period and in the comparison period are itemised in tables in the interim report.

The company also publishes certain other widely-used indicators, which can mostly be derived from the income statement and balance sheet. The principles for calculating these indicators were set out in the 2015 financial statements. In the company's view, the indicators that have been presented serve to clarify the view provided by the income statement and balance sheet of the business' operational result and financial position.

The figures given in this release are rounded to millions of euros, so the combined total of individual figures may differ from the total sum presented. The figures presented in this financial statement release are unaudited.

OPERATING SEGMENTS

EUR million	10-12/16	10-12/15	1-12/16	1-12/15
Net sales				
Atria Finland	246.6	248.0	932.3	929.0
Atria Scandinavia	88.3	83.8	343.4	330.5
Atria Russia	21.1	18.6	71.8	75.1
Atria Baltic	8.8	8.0	34.4	32.9
Eliminations	-8.0	-7.4	-30.1	-27.4
Total	**356.8**	**351.0**	**1 351.8**	**1 340.2**
EBIT				
Atria Finland	10.8	13.7	24.2	29.8
Atria Scandinavia	0.7	3.2	8.4	12.8
Atria Russia	-0.6	-0.4	-0.7	-0.2
Atria Baltic	0.6	-9.1	0.7	-9.0
Unallocated	-0.8	-2.6	-0.8	-4.4
Total	**10.8**	**4.8**	**31.8**	**28.9**
Investments				
Atria Finland	22.5	11.4	46.6	33.0
Atria Scandinavia	4.0	4.6	30.9	19.3
Atria Russia	1.4	1.1	2.5	2.9
Atria Baltic	1.0	0.7	2.9	1.8
Total	**28.9**	**17.9**	**82.9**	**56.9**
Depreciation and write-offs				
Atria Finland	7.2	7.5	28.5	29.2
Atria Scandinavia	3.2	2.9	12.0	10.9
Atria Russia	1.1	1.0	4.1	4.2
Atria Baltic	0.6	9.7	2.3	11.4
Total	**12.1**	**21.0**	**46.9**	**55.7**

FAIR VALUE HIERARCHY OF FINANCIAL ASSETS AND LIABILITIES:

EUR milloin

Balance sheet items	**31.12.16**	**Level 1**	**Level 2**	**Level 3**
Assets				
Available-for-sale financial assets	1.1			1.1
Derivative financial instruments	1.0		1.0	
Total	**2.1**	**0.0**	**1.0**	**1.1**
Liabilities				
Bonds	50.0		50.0	
Derivative financial instruments	6.7		6.7	
Total	**56.7**	**0.0**	**56.7**	**0.0**

Balance sheet items	**31.12.15**	**Level 1**	**Level 2**	**Level 3**
Assets				
Available-for-sale financial assets	1.1			1.1
Derivative financial instruments	1.0		1.0	
Total	**2.1**	**0.0**	**1.0**	**1.1**
Liabilities				
Bonds	50.0		50.0	
Derivative financial instruments	8.9		8.9	
Total	**58.9**	**0.0**	**58.9**	**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:

	10-12/16	**10-12/15**	**1-12/16**	**1-12/15**
Sales of goods and services	3.1	2.9	11.1	9.9
Purchases of goods and services	20.0	23.4	79.7	82.0

	31.12.16	**31.12.15**
Receivables	1.7	2.4
Liabilities	5.3	5.3

CONTINGENT LIABILITIES

EUR million	31.12.16	31.12.15
Debts with mortgages given as security		
Loans from financial institutions	1.7	2.7
Pension fund loans	5.3	5.5
Total	**7.0**	**8.2**
Mortgages given as comprehensive security		
Real estate mortgages	2.8	3.8
Corporate mortgages	3.9	1.2
Total	**6.7**	**5.0**
Guarantee engagements not included in the balance sheet		
Guarantees	0.3	0.4

DIVESTED OPERATIONS

On 29 April 2016 Atria sold a pig farm located in Northern Estonia. The sale of the pig farm gave rise to a sales loss of approximately EUR 1 million, which is recorded under other operating expenses.

In Sweden, Atria sold Kb Joddlaren, a real estate company, on 1 June 2016. The company owns a logistics property in Gothenburg. The transaction price was EUR 3.8 million and Atria Scandinavia recognised a EUR 1.4 million profit on the transaction under other operating income.

ACQUIRED OPERATIONS

Lagerberg i Norjeby AB:

Atria purchased the entire share capital of Lagerberg i Norjeby AB, a poultry company. The deal was approved by the Swedish Competition Authority and Consumer Agency on 1 April 2016. The agreement between Atria and Lagerbergs was confirmed at the end of April and the business operations were transferred to Atria as of the start of May. The purchase price was EUR 18.7 million and it was paid in cash.

The transaction expands Atria's business into the Swedish poultry market. The company is the third largest supplier on the Swedish chicken market. Lagerbergs brand was included in the acquisition. In Sweden, demand for chicken has increased steadily in recent years. In 2015, the retail market for poultry increased by 7 per cent.

Lagerbergs has a production plant and its own chicken rearing facilities in Blekinge, Southern Sweden. In addition to the chickens produced at its own rearing facilities, Lagerbergs acquires chickens from the contract producers located near the production plant. The company employs 120 people. Atria's annual net sales are expected to grow by about EUR 30 million.

Lagerberg i Norjeby AB	**Fair value used in the acquisition**
Property, plant and equipment	6.4
Intangible assets	
Contracts of the operations	4.8
Brands	5.7
Goodwill	3.9
Non-current financial assets	0.9
Inventories	1.8
Current receivables	4.0
Cash in hand and at bank	2.8
Total assets	30.2
Non-current liabilities	3.0
Deferred tax liabilities	2.7
Current liabilities	5.8
Total liabilities	11.5
Net assets	18.7
Purchace price	18.7
Effect of the acquisition on cash flow	15.9

The calculation was updated after the original presentation, because the value of acquired assets and therefore the purchase price have been specified.

Well-Beef Kaunismaa Ltd:

Atria acquired 70 percent of Well-Beef Kaunismaa's stock. The transaction price was EUR 15.3 million. The agreement between Atria and Well-Beef Kaunismaa to conclude the acquisition was confirmed on 3 October 2016. Well-Beef Kaunismaa has a production plant in Turku with approximately 50 employees. With the acquisition, Atria raises the value added and profitability of the beef chain. Well-Beef Kaunismaa is highly competent as a manufacturer of high-quality hamburger patties and kebab products and holds a substantial position in the growing fast-food market in Finland. The customers of Well-Beef Kaunismaa are fast-food chains and other Food Service customers. The company's brand is Well Beef. The merger will generate significant synergies from meat sourcing to product distribution.

Atria's annual net sales are expected to grow by about EUR 40 million.

Kaivon Liha Kaunismaa Oy	**Fair value used in the acquisition**
Property, plant and equipment	1.1
Intangible assets	
Customer relationsship	4.6
Brands	3.6
Inventories	1.4
Current receivables	3.2
Total assets	13.9
Deferred tax liabilities	1.7
Current liabilities	2.5
Total liabilities	4.2
Net assets	9.7
Goodwill	12.2
Non-controlling interest in fair value	6.6
Purchace price paid in cash	15.3
Effect of the acquisition on cash flow on 31st of December 2016	14.3

The calculation is preliminary, since the purchase price and the current values of the assets and liabilities may need to be specified later.

ATRIA PLC
Board of Directors

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