Annual Report 2015

ATRIA

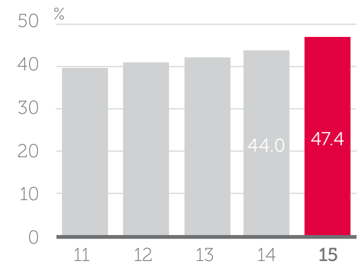
Good food – better mood.

Atria Group's key indicators

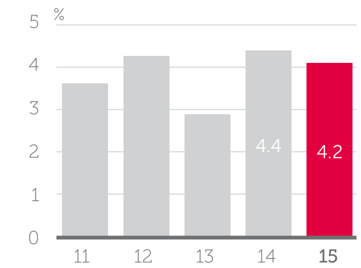
	2015	2014
Net sales, EUR million	1,340.2	1,426.1
EBIT, EUR million	28.9	40.6
EBIT, %	2.2	2.8
Non-recurring items*, EUR million	-7.2	1.0
Balance sheet total, EUR million	855.4	923.5
Return on equity (ROE), %	3.6	6.6
Equity ratio, %	47.4	44.0
Net gearing, %	48.3	61.8

* Non-recurring items are included in the reported figures.

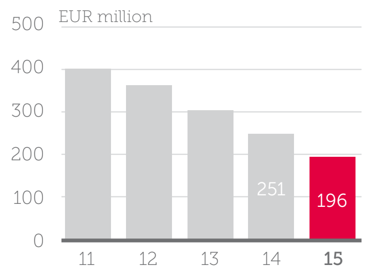
Equity ratio



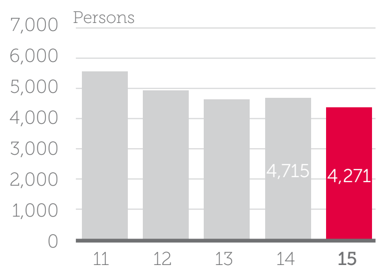
Gross investments, % of net sales



Net liabilities



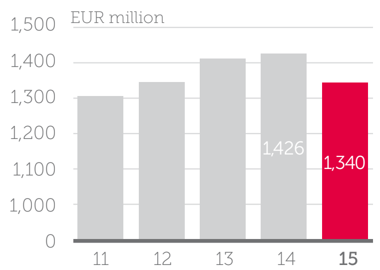
Average number of personnel



Net sales

1,340.2 EUR million

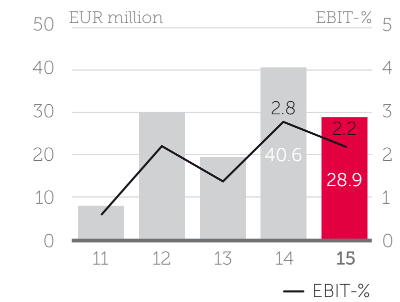
The Group's net sales was EUR 1,340.2 million. Net sales fell by 6.0% compared to the corresponding period last year. The decrease was mainly attributable to the sale of the Falbygdens cheese business to Arla in Sweden and the weakening of the Russian rouble against the euro. At comparable exchange rates, net sales decreased by 3.8%.



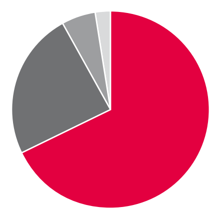
EBIT

28,9 EUR million

EBIT without non-recurring items amounted to EUR 36.1 million (EUR 39.6 mill.), or 2.7% of net sales. The performance was weighed down by the sale of Falbygdens business and weak sales prices in Finland.

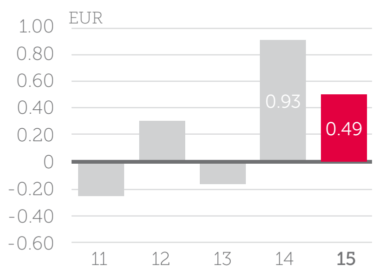


Net sales by business area

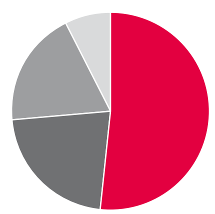


- Atria Finland 929.0 MEUR
- Atria Scandinavia 330.5 MEUR
- Atria Russia 75.1 MEUR
- Atria Baltic 32.9 MEUR

Earnings per share



Personnel (4,271) by business area



- Atria Finland 2,214
- Atria Scandinavia 930
- Atria Russia 812
- Atria Baltic 315

Atria – Finnish with international presence

Atria Plc is a growing Finnish food company with an international presence. Its success is built on three pillars: food, people and heritage. Atria is one of the leading food companies in the Nordic countries, Russia and the Baltic region, with experience stretching over 110 years.

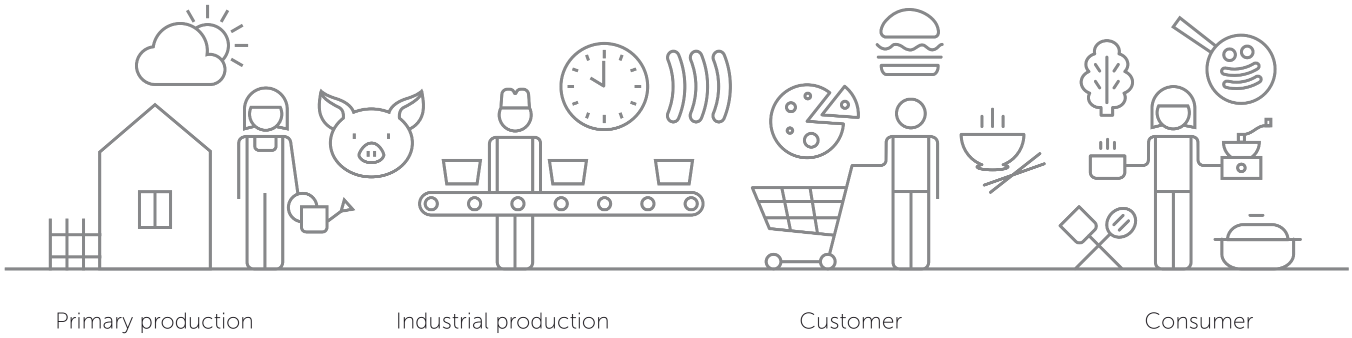
Atria's net sales in 2015 came to EUR 1,340 million, and it employed an average of 4,271 people. The Group is divided into four business areas: Atria Finland, Atria Scandinavia, Atria Russia and Atria Baltic.

Atria's customer groups are consumer goods retailers, Food Service customers, export customers and the food industry. Atria also has a Fast Food concept based on its own brands.

Atria's roots go back to 1903, when its oldest shareholding co-operative was founded. Atria Plc is listed on Nasdaq Helsinki Ltd.

Good food chain

Atria's good food chain covers the journey of food from field to table. The chain consists of four main stages: primary production, industrial production, customer and consumer focus.



Contents

"Atria's financial position and determined actions are a good combination in a demanding environment."

Atria's financial position strengthened in 2015, which was evident in the strong equity ratio and cash flow. However, from the perspective of organic growth, 2015 was challenging. Atria's net sales decreased, mainly due to the sale of the Falbygdens cheese business and the weakening of the rouble. Net sales amounted to EUR 1,340 million.

Organic growth was hindered by three main factors: a decrease in sales prices in Finland, historically low meat export prices and a shift in demand toward lower-priced products. This structural change in demand could be observed in all of Atria's home markets. There was naturally plenty of variation within Atria's product range. For example, in some convenience food segments, demand showed strong development and there was some growth.

Perhaps the most positive aspect of the year was a growth in volumes: food sold well – in Finland, more of it was sold than in the previous year. However, more attention must be paid to the price of food and, thereby, to the profitability of the food chain as a whole.

"More attention must be paid to the profitability of the food chain."

Atria's profit level was strong in markets characterised by low sales prices. EBIT without non-recurring items was EUR 36.1 million. However, profitability differed from one business area to the next.

The result was reasonable given the circumstances, although we were not able to reach the official earnings targets. Our company's earnings ability was assured by two key factors: good process management and high productivity. These are two key Atria strengths, and we have made progress on these in all of our business areas in recent years.

"Process management and productivity showed good progress in all of our business areas."

For several years, Atria Scandinavia has been an assured performer – and that is how it was in 2015. Russia had a particularly difficult start to the year but price rises and efficiency improvement measures brought the situation back on track by the summer. Along with Finland, the Baltic countries have suffered the most from oversupply in the EU meat market. In Finland, 2015 was a year of price competition.

Healthy Growth is the name and objective of Atria's new strategy. The starting points for the Healthy Growth targets are split into two. The business environment is demanding and it

Financial position strengthened

- The Group's net liabilities decreased by 22% to EUR 195.5 million at the year-end (EUR 250.7 million at the end of 2014).
- Equity ratio rose by 3.4 percentage points, standing at 47.4% at the year-end (44.0% at the end of 2014).
- Free cash flow in the review period was EUR 68.4 million, showing growth of 54.4% compared to the previous year's EUR 44.3 million.

The seven focal points of Atria's Healthy Growth strategy:

- Strengthening market insight
- Reinforcing product group and brand leadership
- Reinforcing commercial excellence, particularly in sales
- Enhancing productivity and operational efficiency
- Improving efficiency throughout the operating chain, particularly chain steering
- Resource optimisation and precise allocation
- Developing management to correspond to the Healthy Growth objectives

Find out more about Atria's new strategy on page 7.

is likely to remain that way. However, Atria's financial position combined with determined everyday operations will help the company to succeed in a demanding environment. This may also give rise to interesting opportunities for development via organic or inorganic growth. As the environment becomes more demanding, the focus shifts to the personnel and the expertise of the company as a whole. It is not enough to be able to address changes in the business environment. The key factor is how quickly these changes can be addressed.

Healthy Growth means growth in business volumes – in euros and in kilos – without endangering profitability. We need an organic element to growth in our current home market and with our current product groups, but we also have an open mind towards new product groups and new markets. Acquisitions are also possibilities which we will utilize.

"We have an open mind towards new product groups and new markets."

Realisation of the strategy is already underway. Fortunately, the new strategy has enough in common with the previous one that we were able to get off to a flying start. From the perspective of implementation, it is particularly important for us to be able to get things going at full steam in all seven of our focus areas. We believe that success in these will take Atria's competitiveness and appeal to consumers and customers to an entirely new level.

***

We succeeded in retaining our stable position while laying the foundations for Atria's Healthy Growth, although 2015 did not allow us to experience a strengthening economy or a revival in demand in our business area. Success has only been possible with determined, diligent everyday actions. I would like to thank each and every Atria employee for this. I would also like to thank all of our partners for their fine work for the benefit of our customers, consumers, shareholders and the company.

Seinäjoki, March 2016
Juha Gröhn
CEO, Atria Plc

How Atria creates value throughout the food chain

Resources and investments

Raw materials and other materials
- Meat raw materials: pork, beef, poultry
- Other raw materials
- Packaging and other materials

Production
- 17 production plants in five countries

Human resources and development
- 4,270 food-industry experts
- 4 days of training per employee per year

Intangible capital
- Brands, patents, concepts
- Expertise, research and development activities: EUR 12 million

Investments
- Investments: EUR 57 million

Financing
- Total equity and liabilities: EUR 855 million.

Natural resources
- Energy consumption of approximately 400 MWh, of which approximately 30% is from renewable sources
- Energy efficiency in terms of energy consumption per ton of production: Finland: 0.5 MWh, Scandinavia: 1.4 MWh, Russia: 1.8 MWh, Baltic: 2.3 MWh
- Water consumption of approximately 2.75 million m^3, of which ground water accounted for around 65% and surface water was around 35%

Business model

PRIMARY PRODUCTION

Our objective is Healthy Growth that will not endanger our company's profitability. We will grow via existing operations and new operations.

↓

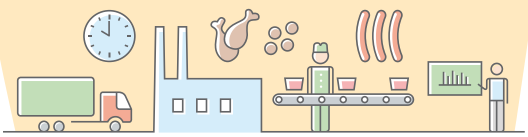
PRODUCTION PROCESSES:
we operate efficiently.

COMMERCIAL PROCESSES:
we will succeed commercially.

VALUE AND MANAGEMENT PROCESSES:
we share a common Atria Way of Work and an Atria Way of Leading.

↓

We focus on customers.
We deliver quality and we believe in our brand.
We are hungry for success.
We enjoy our work.



INDUSTRIAL PRODUCTION

CUSTOMER

CONSUMER

Atria's good food produces sustainable value for all of our stakeholders. Our good food is responsibly and ethically produced, nutritious and safe.

Atria's value and impacts

Good food – better mood. We create inspiring food for every occasion.

For producers and partners
Purchases from producers, subcontractors and other partners
- Total purchases and other expenses: EUR 1,092 million

For customers
Foods for customers in the consumer goods retail trade, Food Service, industry and export sectors
- Net sales and other income: EUR 1,346 million

For personnel
- Total salaries and remuneration: EUR 176 million

For society
- Total taxes and social security expenses EUR 55 million

For shareholders and financiers
- Dividends: EUR 11 million
- Financial income and expenses: EUR 9 million

For communities
Direct and indirect support for public and private organisations and associations

For other industries
Approximately 98% of by-products are exploited, with particular focuses on the animal feed and energy industries. Approximately 0.1% of all material flows end up in landfill or are treated as hazardous waste.

Environmental impact
Approximately 80% of wastewater is pretreated before being discharged into the municipal sewage network. The vast majority of the energy used is for generating process heating and cooling. The indirect environmental impact is mostly due to primary production and transportation.

HEALTHY GROWTH

↑

Strategy

Commercial excellence | Efficiency | Atria Way of Work

↑

Atria Way of Work

We focus on consumers and customers. | We are hungry for success. | We deliver quality – we rely on our brand. | We enjoy our work.

↑

Vision

We create inspiring food for every occasion with strong brands and passion.

↑

Mission

Good food – better mood.

Atria's Healthy Growth

In spring 2015, Atria Plc's Board of Directors approved a new strategy for the period from 2016 to 2020. Its name is Healthy Growth, and this is also its goal. By "healthy growth", Atria means growth that does not endanger the company's profitability.

Through its strategy, Atria strives to secure and improve profitability, boost growth and increase the company's value. The new Healthy Growth Strategy highlights profitable operations and organic growth. In addition to organic growth, Atria will analyse opportunities for acquisitions.

The new strategy continues and expands upon the two key objectives of the previous strategic period: improving profitability and strengthening the balance sheet. As a financially strong, profitable company, Atria will be able to grow, transform itself and respond to continuous changes in the business environment in all of its business areas.

Atria's Healthy Growth strategy is supported by the company's operating methods and values (the Atria Way of Work), as well as its vision and mission.

Find out more about Atria's strategy:

- www.atria.com Strategy under Company
- Report of the Board of Directors, page 34

3 themes

Atria will manage its Healthy Growth strategy via three key themes that were present throughout the previous strategic period.

Commercial excellence
Commercial success will maintain and accelerate our growth.

Efficient operations
Enhanced efficiency will improve our profitability.

Atria Way of Work
Shared practices and values will ensure our profitable, healthy growth over the long term.

7 focus areas

Atria will put the strategy into practice by having each of the four business areas (Finland, Scandinavia, Russia and Baltic) implement their own development projects in seven focus areas. By successfully realising these, we will address accelerating changes in the business environment and fulfil our company's financial objectives.

1. Strengthening market data
We will make more extensive and diverse use of market and consumer data. We are a pioneer of management by information in our sector.

2. Product group and brand management
We will strengthen the management and development of brands and categories. Our strong brands have the possibility to become even stronger.

3. Sales excellence
We will develop and reinforce sales tools and customer collaboration with an open mind. We sit on the same side of the table as our customers.

4. Operational efficiency of production
We will increase the efficiency of operations and productivity with regard to individual jobs, teams, departments, units, businesses and production plants.

5. Supply chain efficiency
We will increase the efficiency of operations, processes and steering in the entire supply chain in close collaboration with different parties in the chain.

6. Resource allocation
We will optimise the resources that are important to us, such as expertise and technology, raw materials and energy, work processes and times.

7. Atria Way of Leading
We will improve management. Our management involves interaction, participation and development. We get things done: we focus on solutions, not problems.

Healthy Growth

Organic growth
The basis and backbone of Atria's healthy growth is organic growth in every business area. We will strive to steadily increase net sales and EBIT to a healthy level.

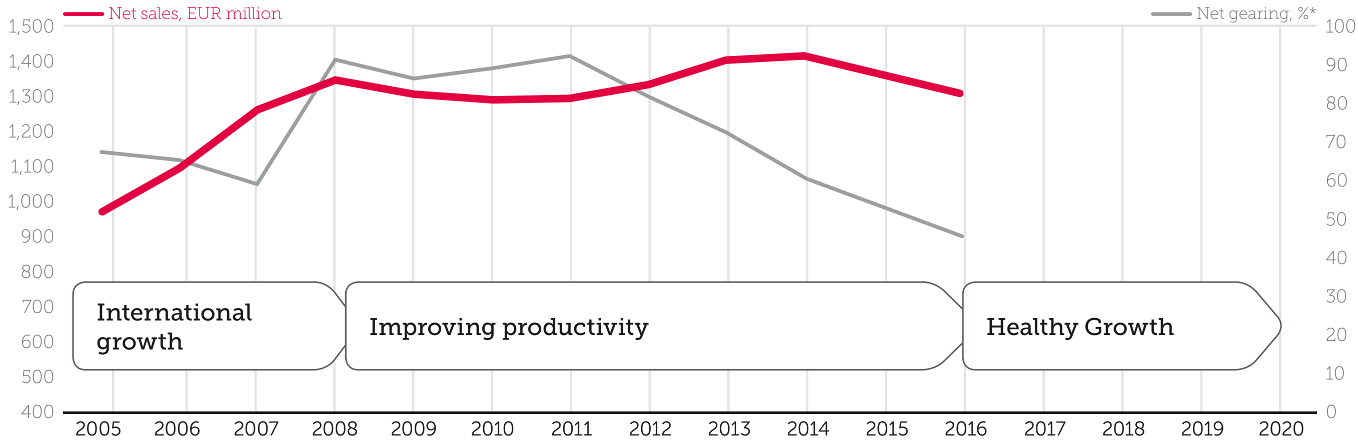
New product segments
We will expand our business into new product segments. The basis for developing these and innovating will be comprehensive market and consumer data, which we are able to use to maximum advantage.

New markets
We will expand our operations to new geographical market areas. Expansion will begin with the current brands, concepts and products.

Acquisitions
To accelerate growth, we will actively analyse opportunities for acquisitions.

Atria's strategic progression

Atria's new strategy is a consistent continuation of the strategy for the previous period. Atria has strong operational and financial fundamentals to realise Healthy Growth. In the previous period, it implemented significant efficiency improvement programmes and investments, which have improved its competitiveness, as well as the efficiency and productivity of production and the entire supply chain. At the same time, the company was able to significantly reduce its net debt and increase its equity ratio.



International growth
- Strong growth through acquisitions in the Baltic Sea area. Atria will become one of the leading food companies in the Nordic countries and the company will expand onto the Russian and Baltic markets.
- Significant investments in growth in Nurmo.
- Weakened financial position.

Improving productivity
- Strengthening the financial position and balance sheet.
- Improving productivity and profitability in all countries of operation.
- Investments in growth in Finland, including meat operations, the feed business and automating production.
- Simplifying the structure of operations in Sweden and Russia.

Healthy Growth
- The key to growth is organic growth in all business areas.
- In addition to organic growth, there are opportunities for acquisitions.
- Operational profitability will not be compromised, productivity is the emphasis.
- Investments in growth via technology and other activities to improve competitiveness.
- The strategy will be managed and implemented at the same pace as accelerating changes in the business environment are taking place.

Strategic projects in 2015

Commercial excellence
- The origin and traceability of meat as a competitive edge (Finland as focus area).
- Strengthening product groups such as organic and vegetable alternatives, which address the latest consumer trends (Sweden and Denmark as focus areas).
- Expanding the Sibylla concept, particularly in Russia but also on other international markets.

Efficient operations
- An investment decision of about EUR 36 million in the Nurmo pig cutting plant. See page 14 for more information.
- Improving the productivity of poultry production at the Sahalahti plant.
- Improving productivity at the Malmö plant, and reorganising logistics, marketing and sales.
- Increasing the efficiency of production processes and investing in a new pizza production line at the Gorelovo plant in St Petersburg.

Atria Way of Work
- Implementing the values of the Atria Way of Work in the form of individual projects.
- Launching the Atria Way of Leading, a programme for supervisors, and initiating practical projects.
- First phase in overhauling Atria's IT environment: standardising personal work and communications tools at Group level.

Major profitability improvement programmes 2013–2015

	Measures	Estimated annual savings
Atria Finland	Centralisation of convenience food production at the Nurmo plant	EUR 1 million
	Productivity and profitability development programme at the Jyväskylä plant	EUR 5 million
	Improving the productivity of poultry production at the Sahalahti plant	EUR 1.5 million
	Building and overhauling the pig cutting plant in Nurmo (commissioning in 2017)	EUR 8 million
Atria Scandinavia	Centralising production of ham products and slicing of cold cuts at the Malmö plant	EUR 1.5 million
	Reorganising sales, marketing and logistics	EUR 1.8 million
Atria Russia	Efficiency improvement programme at the Sinyavino and Gorelovo plants	EUR 2 million
	Discontinuing primary pork production and closing the Moscow plant and logistics centre	EUR 6 million
Atria Baltic	Centralising production in the Valga plant, long-term development of production and operations	

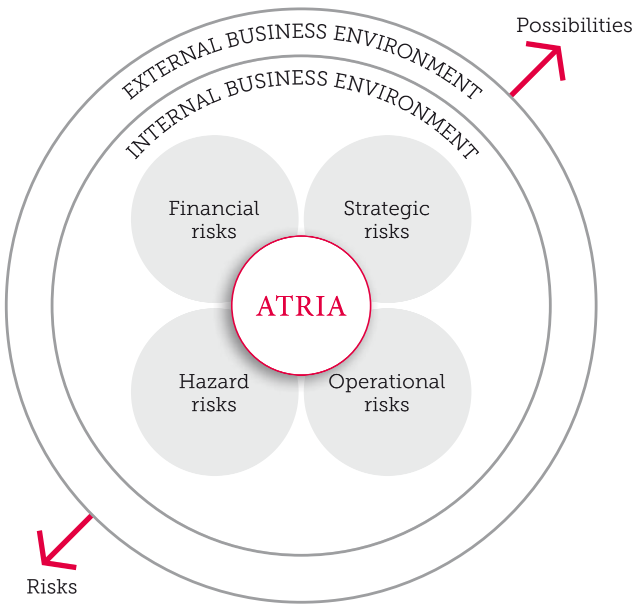
Atria's financial targets

	Target	Achieved in 2015
EBIT	5%	2.2%
Equity ratio	40%	47.4%
Return on equity (ROE)	8%	3.6%
Dividend distribution of profit from period	50%	82% *

* Proposal of the Board of Directors

Atria's risk map

Further information about Atria's risk management is included in the Corporate Governance Statement on page 40 of the report of the Board of Directors. The consolidated financial statements also include information on financing risks in note 29.



Atria Finland

Atria Finland is responsible for the Group's operations in Finland, the single most important business area. Atria Finland develops, manufactures and markets fresh food and related services. It is the market leader in many of its meat product groups in Finland. Atria has primary production in Finland, managed by A-Farmers Ltd. Atria-branded products are made from 100% Finnish meat.

929
EUR million
net sales in 2015

2.214
people
on average in 2015

26%
manufacturer's share in 2015 in terms of value

Brands

Atria Finland's leading brand is Atria, one of the best-known and most valuable food brands in Finland.

Business environment

2.6 EUR billion
Value of the meat and meat product market in 2015

+3%
Growth of annual production and consumption of meat and meat products in 2015

-3%
Decrease of the average price of meat and meat products in the consumer goods retail trade in 2015

+1.2%
Change in purchasing power in 2015

81%
Proportion of meat produced domestically, remained stable in 2015

Atria's customers

- Consumer goods retailers
- Food Service customers
- Food industry
- Export customers
- Concept customers (Sibylla)

Atria's core product groups

- Cold cuts
- Meat products, such as sausages
- Fresh and consumer packed meat
- Poultry products
- Convenience food

Consolidated consumer goods retail trade1):

45.7%
S Group

33.1%
K Group

9.2%
Lidl Finland 2)

6.8%
Suomen Lähikauppa

Competitive environment

The largest companies in the sector in Finland are Atria Finland Ltd and HKScan Finland Oy. The most significant mid-sized companies are Oy Snellman Ab and Saarioinen Oy.

#1

Atria is the market leader in the slaughter industry.

1) Figures for market share in 2014. Figures for 2015 were not ready on release time.
2) Figure for total sales, includes durable goods

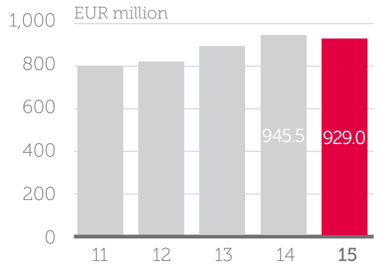
Sources for this page: Finland's TNS Gallup Agriculture Unit, the Finnish Grocery Trade Association (FGTA) and Atria, 2015 and 2016

Growth and profitability 2015

Net sales

EUR 929 million

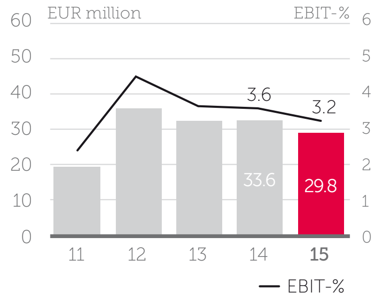
In comparison with the corresponding period last year, Atria Finland's net sales decreased by EUR 16.5 million to EUR 929.0 million. This decline was due to weaker consumer demand and decreased sales prices. The total value of the market for the product groups represented by Atria decreased by about one per cent. Atria was able to make up for weak summer sales in the last quarter of the year: net sales grew by EUR 4.4 million year-on-year thanks to successful Christmas sales.



EBIT

EUR 29.8 million

EBIT decreased by EUR 3.8 million from the previous year, amounting to EUR 29.8 million. EBIT without non-recurring items decreased by EUR 2.9 million. The result was weakened by oversupply of meat on international markets and lower sales prices due to competition in the retail sector. Atria's profitability remained good: thanks to measures taken to adapt to the market climate, production costs and meat raw material inventories remained at planned levels.



COMMERCIAL EXCELLENCE

Markets for Atria's product groups in 2015

Consumption

+0.5%

Consumption of Atria's product groups – consumer packed meat, poultry, sausages, cold cuts and convenience foods – increased by almost one per cent in quantitative terms. In the year 2014, consumption decreased by about two per cent.

Prices

-1.2%

In terms of value, the consumer goods retail trade in the product groups represented by Atria contracted by an average of 1.2 per cent. Last year, the market contracted by about three per cent. The average prices of the product groups decreased, mainly due to competition among retailers.

Manufacturer's share

26%

Atria retained its position in intensely competitive markets. Its total manufacturer's share was about 26 per cent in terms of value. This proportion decreased by about one percentage point in comparison with the previous year. In order to ensure its profitability, Atria refrained from extreme price competition in some product groups and products

Atria's main product group's market position

Product group	Market change in total		Manufacturer share	Market position
	Value (€)	Volume (%)		
Consumer packed meat	-0.7%	2.3%	28%	# 1
Poultry	2.0%	-0.7%	48%	# 2
Sausages	-4.7%	0.3%	25%	# 2
Cold cuts	-3.5%	-2.6%	20%	# 1
Convenience food	2.4%	2.4%	18%	# 2
Total	-0.8%	0.8%	26%	# 1

Sources for this page: Nielsen Homescan, Sales values, 10/2015, Atria, 2016
Atria Market view 2015

EFFICIENCY

"Progress according to schedule"

"We are making progress according to schedule and things are looking promising," Production Manager **Tuomas Viita** says in reference to the expansion of the Nurmo pig cutting plant, where the ramp-up of production began in February 2016. According to the schedule, the new plant should begin full production in summer 2016. Modernisation of the old part and completion of the project as a whole are scheduled for summer 2017.

When it is complete, Atria's major investment will significantly improve the productivity of the pig cutting plant and the competitiveness of Atria's pig chain as a whole. Thanks to modern technology, production quality, product safety and occupational safety will reach new levels.

- Internationally top-class level of technology and productivity.
- Will enable flexible use of rapidly changing technology.
- Will enable farm-specific package labelling for small batches of meat.

Investment

EUR 36 m

of which the majority is invested in equipment and technology

Estimated annual savings

EUR 8 m

thanks to automation and production arrangements

New production facilities

4.500

square meters

of new production facilities added to the existing 2,700m²

Annual savings in Sahalahti

EUR 1.5 m

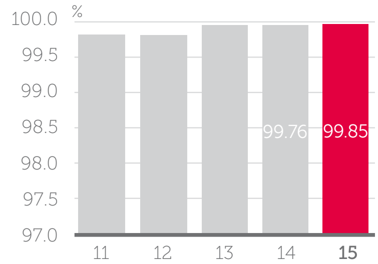
Atria improved the efficiency of its chicken production at the Sahalahti plant. By eliminating overlaps and improving productivity, annual savings of around EUR 1.5 million will be realised.

Delivery reliability

99.85

per cent

Investments in managing the supply chain have made the business easier to forecast, thereby reducing the frequency of missed deliveries. Delivery reliability is a key competitive advantage for Atria, particularly during high season. Assured availability and punctual delivery in accordance with order terms are key competitive factors in the fresh food sector.

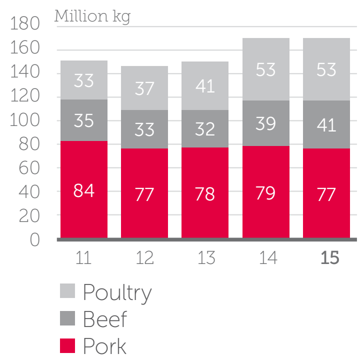


Volumes of processed meat

171

million kg

The meat volumes processed by Atria remained similar to the previous year's volumes at approximately 171 million kilograms. Bovine slaughtering volumes increased by approximately five per cent and pig slaughtering volumes decreased by almost three per cent. Meat inventory levels remained under control despite the challenging market climate. Atria is the market leader in Finland's slaughtering industry.



Consumer market 2015

Consumer purchasing power

+1.2%

Finnish consumers' purchasing power strengthened by 1.2% due to unusually low inflation. Finland's economy (GDP) grew by only 0.2 per cent following two years of contraction. Purchasing power is not expected to change significantly in 2016.[1]

Food prices

-2%

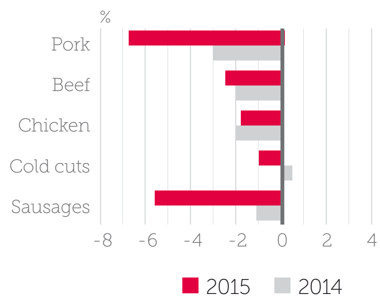
The average retail prices of all foodstuffs (food and alcohol-free beverages) decreased for the second consecutive year. This is due to intense competition among retailers.[2]

Prices of meat products

-3%

The consumer prices of meat and meat products fell by an average of three per cent. In the previous year, prices decreased by two per cent.[3]

Average consumer prices of meat products



1) Source: Ministry of Finance, 2016
2) Source: The Finnish Grocery Trade Association (FGTA), 2016
3) Source: TNS Gallup Elintarviketieto, 2016

Consumers' food choices in 2015

91%
I want food packaging to clearly indicate the country of origin.

69%
The country of origin of food is important to me.

60%
Food scandals have increased my appreciation of domestic food.

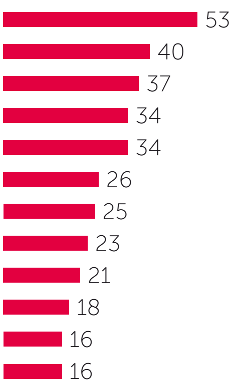
34%
I am prepared to pay more for a product with information on the farm of origin.

90%
I support Finnish production by buying Finnish food.

60%
Finnish origin is more important to me than price.

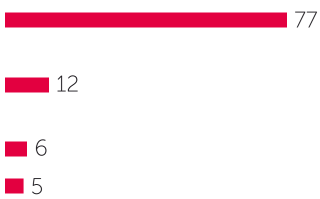
57%
The traceability of food is an important purchasing criterion for me.

Selection criteria for staple foods, top 12 (%)



Acceptable price-quality ratio	53
Excellent taste	40
Delicious	37
Inexpensive	34
Nutritious	34
Good for health	26
Appropriate packaging/serving size	25
Everyone in the family likes it	23
Additive-free	21
Locally produced/processed	18
Quick to prepare/eat	16
Cheap	16

Attitude to eating meat (%)



I eat it regularly and with a good conscience	77
I eat it only occasionally or at celebrations	12
I try not to eat meat	6
I do not eat any meat	5

Page source: TNS Monitor, Food 2015 report

Meat market 2015

BEEF PRODUCTION

+3%

to 402 million kilograms

Growth by meat type:

Pork +3% to 192 million kilograms

Beef +4% to 86 million kilograms

Poultry +3% to 117 million kilograms

MEAT CONSUMPTION

+3%

to 424 million kilograms. 78% of the increased consumption was of Finnish meat.

Growth by meat type:

Pork +2%

Beef +2%

Poultry +7%

Rate of national self-sufficiency in meat production

94%

of bone-in meat. Boneless meat accounts for 80% of bone-in meat.

Import

+4%

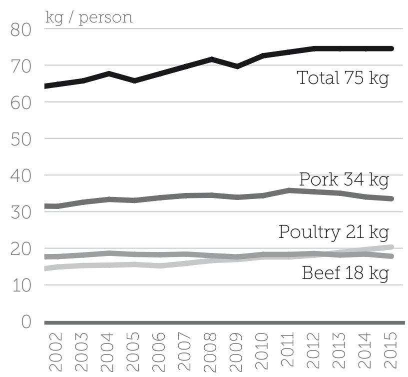
Beef production increased by 4%, pork production increased by 5% and chicken production increased by 15%.

Producer prices

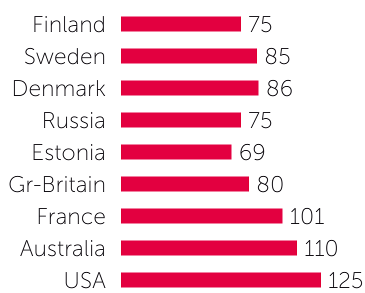
-6%

on average.
Average producer prices of meat decreased by 5% in 2014.

Consumption of meat in Finland



Consumption of meat internationally (kg/person)



Source: FAO 2015

Source: TNS Gallup Oy, 2015

"The sturdiest foundation for growth is provided by Finnish consumers."

Mika Ala-Fossi, Executive Vice President, Atria Finland

Decreasing purchasing power and intensifying price competition were also reflected in Atria's net sales. Although markets will provide little impetus in the near future, do you consider Atria's product groups to have strong foundations for growth in 2016?

Atria retained its good position despite intense competition last year and we aim to do the same or better in 2016. Realising growth in the present market is the sum of several factors. The number of kilograms may increase but whether the number of euros increases is another question. Price competition – particularly between retailers – is intense and price is an increasingly important factor in purchasing decisions. Trends in food prices will be one of the most important aspects of 2016 for Atria and for the entire sector in Finland.

"Atria retained its position despite intense competition."

Of the individual product groups, we consider poultry products to have potential for further growth. We are the market leading manufacturer and we have a strong basis on which to expand our offering. The convenience food product group also offers several interesting segments. We have also identified narrow growth segments in the food service market, although overall demand in the sector is not yet showing signs of growth. We also see growth potential in exports. We are seeking new export markets and we are diversifying deliveries to our old export customers with specific carcass cuts.

A-Feed produces successful animal feed solutions for Finnish meat production and it has strengthened its position.

The sturdiest foundation for growth is provided by Finnish consumers. They increasingly appreciate Finnish meat that can be traced all the way back to the farm. In terms of traceable meat, we are the leading food company in Finland – if not the whole world. This opens up positive opportunities for us and for the entire Atria meat change over the long term.

Atria's earnings level decreased slightly in markets characterised by international oversupply of meat and decreasing consumer prices. How will Atria secure its price competitiveness and profitability on the challenging Finnish market?

Efficiency and productivity are Atria's key competitive factors regardless of whether we are making products with low or high added value. We have systematically developed both of these factors to ensure that we can thrive despite the current price competition. The most significant tangible action to improve productivity was an investment in the pig cutting facility in Nurmo. This will be complete in 2017.

Naturally, the sales prices of products are decisive in boosting profitability. Atria has a superb ability to use its current product groups to develop and market innovations and concepts that our customers and consumers will appreciate and that are under less price pressure. I would also highlight the importance of industrial efficiency and productivity for these. These two things are basic pillars and strengths of Atria's price competitiveness and profitability.

"Industrial efficiency and productivity are basic pillars of Atria's price competitiveness and profitability."

Atria Scandinavia

Atria Scandinavia produces and markets meat products, meals and delicatessen products mainly on the Swedish and Danish markets. It also has an international Fast Food concept business. The company boasts valued, widely known brands, many of which are market leaders in their respective categories. Most of the meat raw material used by the company is Swedish.

Brands

Atria Scandinavia's best-known brands in Sweden are Lithells and Sibylla, which is also Atria Group's most international brand. In Denmark, the best-known brand is 3-Stjernet.

330.5 EUR million
net sales in 2015

930 people
on average in 2015

20%
market share of the sausages in Sweden in 2015 *

17%
market share of the cold cuts in Denmark in 2015
18 %
in Sweden* in 2015

Business environment

1.3 EUR billion
The combined value of the markets for sausages and cold cuts in Sweden and the market for cold cuts in Denmark in 2015.

+0–2%
Annual volume growth in meat products for the consumer goods retail trade. Growth in white meat and vegetable alternatives is considerably greater.

+3.2%
Change in average prices of consumer goods in Sweden; Denmark: 2.6%.

+3.5%
Change in purchasing power in Sweden in 2015.

61%
Proportion of domestically produced meat in Sweden in 2015.

Atria's customers

- Consumer goods retailers
- Food Service customers
- Fast food concept customers (Sibylla)
- Export customers

Atria's core product groups

- Cold cuts
- Meat products, including sausages
- Convenience food
- Delicatessen products, such as snacks and marinated fresh products

Consolidated consumer goods retail trade[1)]

51% ICA in Sweden

21% Coop in Sweden, in Denmark 38%

16% Axfood in Sweden

32% Dansk Supermarked in Denmark

Competitive environment

The largest companies in the sector in Sweden are Atria Scandinavia and HKScan Sweden Ab. Approximately 25% of the Swedish meat product market is held by small businesses whose net sales are below EUR 5 million. In Denmark, the largest company is Danish Crown.

#2 Atria's supplier share strengthened in Sweden in 2015

#1 Atria is the number-one supplier of cold cuts in Denmark

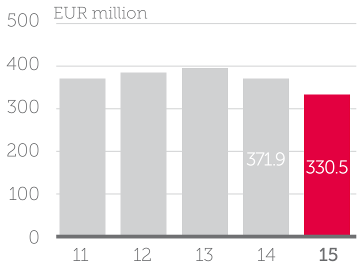
1) Figures for market share in 2014. Figures for 2015 were not ready on release time.
Sources for this page: Lantbrukarnas Riksförbund LRF, Dagligvaruhandel DLF, Atria 2015, 2016
* Figures includes Private Label -products.

Growth and profitability 2015

Net sales

EUR 330.5 million

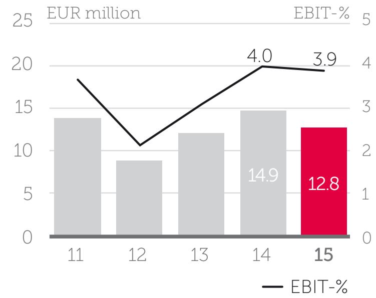
In comparison with the corresponding period last year, Atria Scandinavia's net sales decreased by EUR 41.4 million to EUR 330.5 million. The sale of the Falbygdens cheese business to Arla in the spring reduced net sales. The transaction price was EUR 29.3 million. The transaction reduces Atria's net sales by approximately EUR 52 million per year. Atria's sales developed positively in 2015 and overall market share in Sweden increased.



EBIT

EUR 12.8 million

EBIT decreased by EUR 2.1 million to EUR 12.8 million. The sale of Falbygdens business will impact Atria's EBIT by approximately EUR -3 million per year. Atria Scandinavia's profitability remained satisfactory in 2015. In markets characterised by intense price competition, Atria's competitiveness is supported by the cost-efficiency of the supply chain as a whole and stable meat raw material prices.



COMMERCIAL EXCELLENCE

Number one position in Denmark markets strengthened

+1.1

percentage points

Atria consolidated its market leadership of the Danish cold cuts market with the 3-Stjernet brand. Its market share increased by 1.1 percentage points to 18.5 per cent.[1)]

Private label products

+11.8%

The market share of stores' own brands (private labels) continued to increase in the sausage and cold cuts markets: among sausages, the market share grew by 9 per cent, while the figure for cold cuts was 11.8 per cent. In Sweden, 33 per cent of cold cuts were sold under stores' own brands, while the corresponding figure in Denmark was 40 per cent.[1)] Atria's market share as a private label supplier strengthened in accordance with the company's strategic objectives.

Organic products

+50%

at ICA

The most rapidly growing sub-segments of the food markets in Sweden and Denmark are organic products. Sales of these products in ICA's food stores increased by almost 50 per cent in the first half of the year alone.[2)]

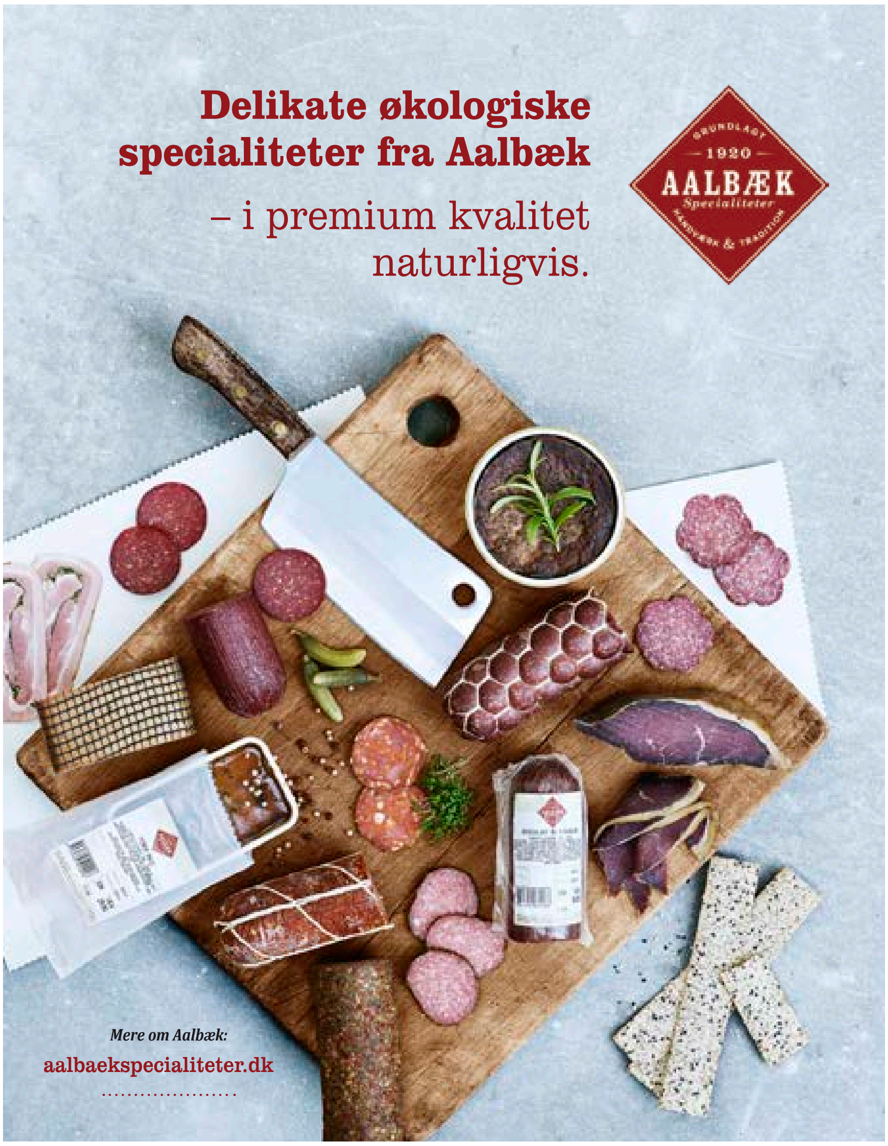
Atria's market share in 2015

Product group	Sweden		Denmark	
	Market share[1]	Market size	Market share[1]	Market size
Cold cuts	17.1%	EUR 491 million	18.5%	EUR 379 million
Sausages	18.6%	EUR 415 million	-	-

1) The market share figures also include the private label products produced by Atria.
Source: ACNielsen, October 2015

1) Source: ACNielsen, 2015
2) The Swedish Food Federation, 2015

EFFICIENCY



Atria acquired leading organic expertise in Denmark

In spring, Atria acquired the operations of Aalbaek Specialiteter, a Danish company. Aalbaek is Denmark's largest manufacturer of organic cold cuts. The acquisition of the company will increase Atria's net sales by around EUR 10 million per year and its product groups will reinforce Atria's market-leading position in the Danish cold cuts market. The integration of the company into Atria went well.

Aalbaek was founded in 1920. Today, it is one of Europe's most significant manufacturers of high-quality organic meat products. Its product selection includes sausages, liver pâtés and bacon in addition to cold cuts.

Soy-based TZAY products relaunched

Atria is also investing in vegetable-based alternatives in Sweden. The company has had the soy-based TZAY family of products in its portfolio since 2008 and it relaunched these products in the spring. Seasoned soy wedges, sold frozen, are a great ingredient for salads and other meals.

Sibylla expanded into new markets

The Sibylla concept is a key part of Atria's growth strategy. The concept has almost 5,000 outlets in more than ten countries. In 2015, the concept progressed to piloting phases in three new market areas:

Belgium
10 test locations in operation

South Korea
11 test locations in operation

England
No test locations yet in operation

There is an export permit for China but no product-specific permits

Atria Danmark A/S was granted a permit to export heat-treated meat products to China in 2014. The company received no product-specific export and import permits in 2015.

Food export to China has traditionally been subject to strict regulations and restrictions. The first ever export licences for heat-treated meat products were granted to three Danish food industry plants. Among these were Atria Danmark's production plant in Horsens.

"Our overall market share increased."

Tomas Back, Executive Vice President, Atria Scandinavia

In quantitative terms, the markets for cold cuts and cooking sausages remained stable in Sweden and Denmark. However, there were significant changes in the business environment and in consumer behaviour. What are the strongest trends?

The most significant consumer trend affecting Atria Scandinavia is the decline in demand for red meat and the increasing popularity of poultry products and vegetable-based alternatives. This is a strong trend in western countries. Organic product groups are experiencing rapid growth in Sweden and Denmark. For Sweden, a key topic is using meat raw material of Swedish origin as meat producers have not been able to reverse the decline in national self-sufficiency.

The most visible trend in terms of customer relationships has been the growth in private label product groups, a trend that has continued for several years now. In several of Atria's product groups, private labels have a market share of one third or more.

The sale of the Falbygdens cheese business significantly reduced Atria Scandinavia's net sales. Which elements do you have for growth in 2016?

Our strategic objective is to be Sweden's leading producer of cold cuts and sausages. Our overall market share increased last year and we are now a more significant operator. Our own brands have retained a strong position and we have laid strong foundations for growth, not least in Denmark where we further reinforced our position as number one. In Sweden, we strengthened our market share as a private label supplier and we consider the growth opportunities as a supplier of these products to be positive.

Last year, Atria acquired a Danish company named Aalbaek. Integration of Aalbaek business into Atria went well. The organic meat products made by the company represent rapidly expanding product groups. They are a potential platform for growth. We also consider our soy-based Tzay brand to offer a similar platform. Without a doubt, the spearhead of our international growth is the Sibylla brand. In 2016, potential destinations for expansion are Belgium, England and South Korea.

"The integration of Aalbaek business into Atria went well."

Atria Scandinavia's profitability remained on a par with the previous year. The EBIT percentage was 3.9. How do you intend to maintain or even improve this in 2016?

The state of competition in the market in 2016 is likely to be just as challenging as in the previous year. There is very little room for manoeuvre in sales prices. Pricing pressures on raw materials – particularly Swedish meat – are more likely to intensify than to ease. Maintaining or improving competitiveness in these circumstances requires efficient operations and good cost management.

Improving cost-efficiency is a continuous process for us – the result of several individual actions. For example, we are increasing the efficiency of logistics in Gothenburg by outsourcing some of the operations. At the Malmö factory, we are investing in new, more productive technology. We have also continued to revamp our organisation and increase efficiency in order to address the market climate and demand.

"Improving cost-efficiency is a continuous process for us – the result of several individual actions."

However, in terms of maintaining and improving our profitability, the most essential factor is our ability to develop product groups and products that consumers want to buy and that generate real added value for our customers. That is how we will secure a profitable price level.

Atria Russia

Atria Russia markets its meat products and convenience foods mainly in the St Petersburg and Moscow regions. The operations are concentrated in St Petersburg. Atria's position in the market is strengthened by the Sibylla concept business and contract manufacturing. Atria does not have its own primary production in the country. Instead, it purchases its meat raw material from domestic and international markets.

Brands

Atria Russia's own brands are Pit-Product and CampoMos. It has the Sibylla concept business in Russia, Belarus and Kazakhstan. The company collaborates with the Spanish brand, Casademont.

75.1
EUR million
net sales
in 2015

812
people
on average
in 2015

17–18%
market share among meat product groups in the St Petersburg consumer goods retail trade in 2015

Business environment

0.7–1.0
EUR billion

Total value of the markets for meat and meat products in the St Petersburg region – in the Moscow region, the value is almost three times as much.

+12.9%

Increase in consumer prices (inflation) in 2015

-3.7%

Russia's economic contraction in 2015

-9%

Decrease in consumption in 2015

Atria's customers

- Consumer goods retailers
- Food Service customers
- Concept customers (Sibylla)

Atria's core product groups

- Meat products, particularly sausages
- Cold cuts
- Convenience food, such as pizza
- Fresh meat

Competitive environment

Low level of consolidation in the meat processing industry in comparison with areas such as the Nordic region. Since 2014, the Russian meat processing industry has been suffering from serious profitability problems due to restrictions on importing meat and a sharp rise in the price of Russian meat raw material.

#1 Atria is the largest foreign operator in the sector in Russia.

#1 Europe's largest consumer goods retail markets

In 2014 consumer goods markets were disrupted by import bans on EU meat and other foodstuffs. Russia's economy began a steep decline due to the collapse in the price of oil.

-10% decrease in sales in the consumer goods retail trade in 2015

-33.3% weakening of average value of the rouble against the euro in 2015

70% of consumer goods are sold via chain-based retailers. Indoor and outdoor markets retain a significant share of sales, particularly in smaller towns.

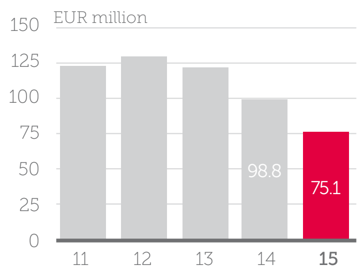
Sources for this page: Bank of Finland, Atria, 2016

Growth and profitability 2015

Net sales

EUR 75.1 million

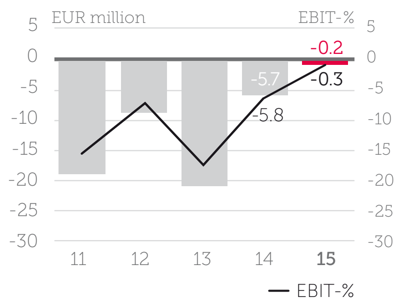
In comparison with the corresponding period last year, Atria Russia's net sales decreased by EUR 23.7 million to EUR 75.1 million. At comparable exchange rates, net sales remained stable year-on-year. It proved difficult to boost sales because of weakened consumer purchasing power due to price increases. The Sibylla business developed positively.



EBIT

EUR -0.2 million

EBIT was EUR -0.2 million, up from EUR -5.7 million in the previous year. Comparable EBIT amounted to EUR -2.1 million, up from EUR -6.2 million in the comparison period. EBIT was boosted by price rises and the elimination of unprofitable products. Actions taken to improve efficiency and use more locally produced meat raw material also improved profitability.



COMMERCIAL EXCELLENCE

Atria balanced out its offering

Atria balanced out its offering in response to demand and pricing problems in the Russian consumer goods retail trade. In addition to consumer goods retail trade customers and concept customers, Atria is now seeking profitable growth from its Food Service customers.

Consumer goods retailers

- Growth via Atria Russia's own brands; Pit-Product and CampoMos
- Growth through contract manufacturing and partnerships such as the Spanish Casademont brand.
- Objective of standing out from local competitors

Atria's strengths:

- Well-known and respected brands
- Cost-efficient production and sufficient capacity; foreign exchange risk reduced by increasing the amount of local meat raw material

Sibylla concept

- Spearhead of growth
- The number of sales outlets increased by about 15 per cent to almost 2,000 in Russia, Belarus and Kazakhstan
- Demand for fast food is increasing in Russia and elsewhere, regardless of economic trends

Atria's strengths:

- Respected international brand
- Clear, cost-efficient organisation

Food Service

- Potential growth
- Partnerships with local and international HoReCa operators

Atria's strengths:

- Strong Food Service expertise at Group level
- Competitive product selection and efficient operations

Consumption expenditure

50%

spent on food

Food accounts for around 50% of total consumer expenditure in all of Russia. In Moscow and St Petersburg regions, the share is smaller. Consumer purchasing power trends are of primary importance to the Russian consumer goods retail market and, hence, to Atria Russia. Real purchasing power decreased by almost 15 per cent in 2015.

In Finland, Sweden and Denmark, some 10% of total consumer expenditure is on food. In Estonia, food accounts for approximately 20%.

1) Sources: Russian statistical organisation Rosstat, Bank of Finland, 2015
2) Source: Emeat, 2014

Jarmo Lindholm, Executive Vice President, Atria Russia

Despite of the deep recession in Russia and the decline in consumer purchasing power, Atria Russia's rouble-denominated net sales remained at the previous year's level. Market conditions are expected to remain highly challenging. How do you see developments in the business environment and Atria's growth opportunities?

We are very cautious in our expectations. There will be no rapid turnaround in the business environment from the situation that has prevailed in Russia since 2014. This was when Russia imposed import restrictions on European meat and other foodstuffs, the value of the rouble collapsed due to lower oil prices and consumer purchasing power began to decline due to increasing inflation. The situation has been particularly bad for companies such as Atria that operate using the euro and purchase significant amounts of raw materials from Western markets.

In 2016, competition will remain intense and price-driven in the retail and food service sectors. Russia's gross domestic product decreased last year by four per cent and retail sales declined by approximately 10 per cent. At the same time, consumers' real salaries decreased. A major turnaround in the market situation can only be expected to occur when international oil prices rise. The oil price is by far the most significant individual factor affecting Russia's economy.

"The most positive thing is the rapid expansion in the proportion of meat produced in Russia."

From our point of view, the most positive thing in Russia is the rapid expansion in the proportion of meat produced domestically. Self-sufficiency in all types of meat is on the rise. Approximately 90 per cent of poultry and pork is domestically produced, while 75 per cent of beef is domestically produced. In forthcoming years, it is foreseeable that Russia will become a completely self-sufficient producer of poultry and pork. In the longer term, the country will become a net exporter of meat to world markets. This is a positive development for Atria. It improves our opportunities to purchase all of the meat raw material that we need on Russia's local markets. This is of essential importance for Atria's growth and profitability.

Atria Russia improved its profitability in 2015, mainly thanks to price rises. Does Atria have any other means of improving profitability?

In fact, price rises were just one of many means of improving our profitability. We significantly increased the efficiency of our operations last year: we reorganised production in our Sinyavino plant and optimised our product selection to correspond to the market climate. Day-to-day efficiency improvements at our main plant in Gorelovo combined with localised purchasing of meat raw material also served to improve our profitability.

Our operations in Russia are now built on a structurally healthy base. To revitalise the business, it is of primary importance for us to realise growth, even in challenging market climates. This has a material effect on the profitability of our operations.

"The Sibylla business expanded significantly."

One of our engines for growth is the Sibylla business. It expanded significantly last year. There are more than 2,000 sales outlets in Russia, Belarus and Kazakhstan. Development in countries outside Russia is still in the early phases, and we see considerable growth potential in these countries. We also see good opportunities for growth in terms of the Spanish products from Casademont, which were launched on Russia markets in collaboration with the family company that owns the brand. As long as the import restrictions are in place, local manufacturing is the only means by which Spanish flavour experiences can be offered to Russian consumers on a large scale. Product sales have shown very positive growth and we will expand our offering.

Atria Baltic

Atria Baltic produces and markets its meat products mainly in Estonia. It also has its own primary production. Atria is Estonia's second largest pork producer.

Brands

Atria Baltic's own brands in Estonia are Maks&Moorits, VK and Wõro. Atria Scandinavia is responsible for sales of the Sibylla concept in the Baltic region.

32.9 EUR million
net sales in 2015

315 people
on average in 2015

13%
supplier share in cold cuts in the Estonian consumer goods retail trade in 2015

17%
supplier share in sausages in the Estonian consumer goods retail trade in 2015

Business environment

Approx. 0.4 EUR billion
Value of the markets for meat and meat products in the Estonian consumer goods trade

+1–2%
Annual volume growth among meat and meat products

-4%
Average price for meat and meat products in the Estonian consumer goods trade in 2015

+3%
Change in purchasing power in Estonia in 2015

Approx. 90%
of the meat consumed is domestic

Atria's customers

- Consumer goods retailers
- Food Service customers
- Export and industrial customers

Atria's core product groups

- Meat products, particularly sausages
- Cold cuts
- Consumer-packed meat
- Five pig farms in Estonia, annual production approx. 75,000 slaughter pigs

The 3 largest

consumer goods retail trade chains are Rimi Baltic (owned by ICA), Selver (owned by Kaubamaja Group) and the Prisma chain (owned by S Group).

Competitive environment

The majority of Estonia's meat processing companies are small, local operators.

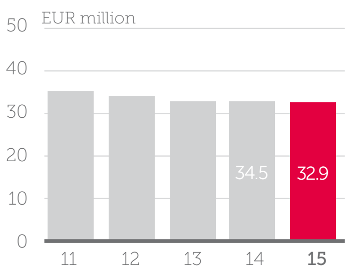
#2 Atria Baltic is the second largest company in Estonia behind Rakvere, which is owned by HKScan.

Growth and profitability 2015

Net sales

32.9 EUR m

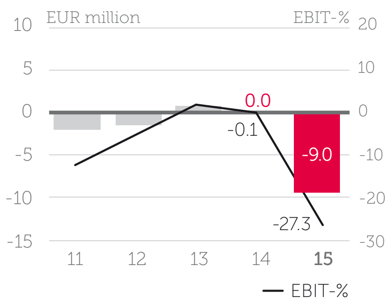
In comparison with the corresponding period last year, Atria Baltic's net sales decreased by EUR 1.6 million to EUR 32.9 million. Net sales were weakened by the international oversupply of meat and lower sales prices as a result of price competition in the consumer goods retail trade. Sales increased slightly in quantitative terms.



EBIT

-9.0 EUR m

Atria Baltic's EBIT includes a goodwill impairment loss of EUR 9.1 million. Comparable EBIT amounted to EUR 0.1 million, down from EUR 0.3 million in the comparison period. Profit-earning potential was weighed down by a weaker price level and measures taken to prevent the spread of African swine fever.



Sources for this page: Swedbank Estonia, Atria, 2015

"The focus of our activities is retaining our market position"

Olle Horm, Executive Vice President, Atria Baltic

Oversupply of European pork and the detection of African swine fever (ASF) in Estonia had a material effect on Atria Baltic's operations. How did they effect Atria's growth and profitability?

The supply of cheap European meat significantly increased retail sales volumes of fresh and marinated meat. The quantitative increase was approximately 20 per cent.

Although overall consumption of meat products remained at the same level, the growth in sales of fresh and marinated meat led to reduced sales of processed meat, particularly sausages. Retail sales prices decreased continuously.

Overall, Atria Baltic's volumes in 2015 increased by approximately five per cent in comparison with the previous year. At the same time, net sales decreased by the same amount. This difference aptly describes the business environment.

"Our overall share was close to the previous year's level."

Cheap imported meat and measures taken to prevent the spread of African swine fever had a material impact on our profitability. As the majority of our meat raw material comes from our own farms, we were not able to benefit from the lower prices of European meat. The costs of our own pork production did not decrease at the same rate. The measures required due to African swine fever increased the production costs of our own pork and restricted sales.

How do you see Atria's market outlook and are there any product groups in which you see particular growth opportunities?

The outlook for primary production is highly challenging. Cheap imported meat will intensify price competition on the markets for meat and meat products.

"The outlook of primary production is highly challenging."

From the perspective of Atria's sales, the forthcoming year will be very busy and the focus of our activities will be retaining our market position, as it was in the previous year. We were able to record a market share close to the previous year's level and certain individual product groups grew. The most significant factor was the growth in sales of meat: sales of marinated meat increased by 17 per cent and sales of minced meat grew by 14 per cent.

In 2016, we will also invest in increasing sales via product groups. The most significant of these was the launch of a meatball product at the very beginning of the year.

COMMERCIAL EXCELLENCE

Market and consumer data form the basis of product development and marketing

Product development and marketing constitute an integrated function at Atria on both a strategic and operational level. Research and development focus on deepening the company's understanding of consumer behaviour and market data. On the basis of this data, Atria develops, markets and sells competitive food industry concepts, product groups, products and services.

Research and development expenses

EUR 12.4 m

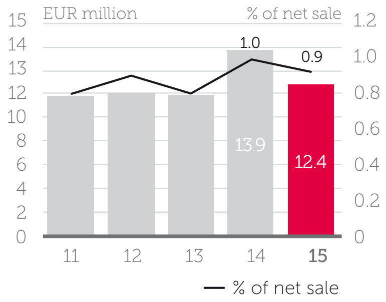
Atria's R&D expenses accounted for 0.9% of the Group's net sales, compared with 1.0% for the comparative period. The R&D actions enable Atria to gain a competitive edge and strengthen its competitiveness in all markets.

Number of new products

281

Atria launched 281 new products*). The number of new products increased by 46 compared with the previous year. Atria Russia introduced the largest number of new products. The successful developing of Atria's product range management, R&D and marketing process takes two to three years.

* The figure includes new packaging and new product support innovations.



New products

	2015		2014	
Business are	Qty	% of net sales	Qty	% of net sales
Atria Finland	85	6	120	7
Atria Scandinavia	92	2.4	65	2.1
Atria Russia	49	8.9	10	2.8
Atria Baltic	55	8	40	10

Further information on R&D is available on page 38 (Report by the Board of Directors).

Examples of new products launched in 2015

Atria Finland
Atria Family Farm Chicken

Atria Scandinavia
Lithells Children's Grill Sausage

Atria Russia
Pit-Product frankfurter

Atria Baltic
Maks&Moorits delicacy ham

Atria's corporate responsibility covers the entire chain from field to table

Atria's corporate responsibility is visible throughout the food chain, from primary production via our plants to customers and the end users of products – consumers. We are in constant interaction with various stakeholders at all stages of the chain. Listening to stakeholders and taking their wishes into account is one of the main pillars of our corporate responsibility.

Atria's corporate responsibility programme is known as Atria's Handprint. It too covers the journey of food from field to table. We take responsibility for monitoring and improving animal welfare, and for the safety, nutritional value and healthiness of our products. We take environmental responsibility into account throughout the entire life cycle of our products, and we develop our employees' expertise and take care to ensure their well-being. Atria is a major employer and brings prosperity to the areas in which it operates. Atria employees are aware of their responsibility for securing the company's competitiveness now and in the future.

Read about Atria's responsible operations from field to table from our web pages atria.com under Group section and Corporate responsibility.

The pages also provide information on the principles of Atria's corporate responsibility, Atria's Handprint programme, development projects, Code of Conduct, stakeholders and corporate responsibility reporting.

60
projects

In 2015, Atria's Handprint programme promoted around 60 corporate responsibility projects in the company's business areas. Some of these were new projects, while others were ongoing ones. Most of the projects were implemented in Finland and Scandinavia. The development projects are part of the daily management and development of Atria's operations.

3,000
participants

More than 3,000 Finns participated in a stakeholder discussion held online by Atria Finland and shared their expectations of Atria's corporate responsibility. The participants saw Atria as a company with a long track record and loyal customers, partners and employees. The qualities that are strongly associated with cooking and Atria include Finnish origin, safe and healthy products, traceability, reliability and local production.

12
new objectives

Atria Scandinavia defined 12 new objectives for the focal areas of its Handprint programme up to 2020. The focal areas are safe and healthy food, the environment, employee well-being, stakeholders and corporate responsibility.

Atria Finland substantially increased the number of products that are labelled according to the farm of origin. The origin and traceability of food, together with the sustainability and transparency of the food chain, are important to customers and consumers.

Atria Scandinavia replaced the oil-fired boiler plant in Sköllersta with a wood-fired one. Thanks to the EUR 2.6 million investment, the plant's carbon dioxide emissions will decrease by almost 4,000 tonnes per year, and fossil fuels will no longer be used in production.

Financial statements and annual report

Annual General Meeting on 28 april 2016

Atria Plc invites its shareholders to the Annual General Meeting to be held on Thursday, 28 April 2016 in Helsinki at the Finlandia Hall.

The agenda includes matters that are to be discussed by the Annual General Meeting in accordance with Article 14 of the Articles of Association.

A notice of the Annual General Meeting was published in national newspapers on 18 March 2016. The AGM documents are available on the company website at www.atria.com.

In 2016, Atria Plc will publish financial results as follows:

Financial Statement Release 2015 .... 11 February 2016
Annual Report 2015... In week 13/2016
Interim Report Q1 (3 months)... 28 April 2016
Interim Report Q2 (6 months)... 21 July 2016
Interim Report Q3 (9 months).................................. 27 October 2016

Atria's financial information will be published in real time on the company website at www.atria.com.

Atria's profitability remained good

2015 was a challenging year for Atria in terms of growth. However, Atria succeeded in maintaining a good level of profitability in a relatively tough business environment. Atria has made progress in terms of productivity and process management in all of its business areas. Atria's net sales decreased, mainly due to the sale of the Falbygdens cheese business and the weakening of the rouble. Atria Scandinavia made a consistent, safe profit, and while the first half of the year was difficult for Atria in Russia, price rises and efficiency measures improved the situation by the summer. In the Baltic countries and Finland, Atria suffered the most from oversupply in the EU meat market. In Finland, intense price competition among retailers weighed down Atria's profit.

Healthy Growth – Atria Group's new strategy

In 2015, Atria updated its strategy. "Healthy Growth" is the name and objective of Atria Group's new strategy. The new strategy will enable Atria to grow in a healthy and profitable way. Atria is reinventing itself and addressing continuous changes in the business environment.

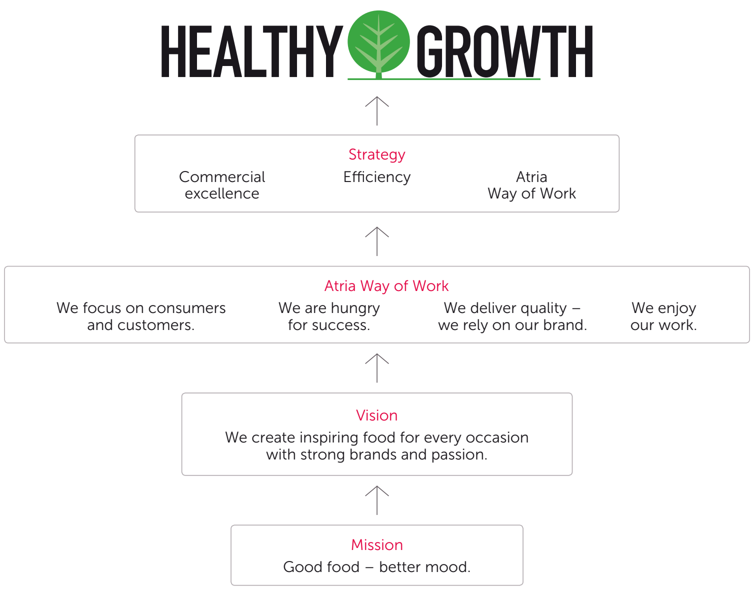
The objective is to enable healthy business growth in three main areas via three strategic themes. The strategic themes are the same for all of the business areas:

- Commercial excellence
- Efficiency
- Atria Way of Work

Commercial excellence means that Atria will make more extensive and diverse use of market and consumer data. Additionally, Atria will strengthen the management and development of brands and categories. Commercial excellence also requires open-minded development of sales and customer collaboration.

Efficiency consists of efficient production and supply chain operations and prudent allocation of resources.

Atria Way of Work is born of a common management style: Atria's management involves communication, involving, development and action.



Atria’s strategy is taken forward via seven focus areas. The basis of healthy growth is organic growth in every business area. Additionally, Atria will seek to reach its targets by expanding its business into new product segments. The basis for developing new product segments and innovating will be comprehensive market and consumer data. Expanding the business into new geographic market areas and acquiring other companies will enable healthy growth in accordance with the new strategy.

The seven focus areas of Atria's strategy

1. Market insight
We will make more extensive and diverse use of market and consumer data. We are a pioneer of management by information in our sector.

2. Category and brand management
We will strengthen brand and product group management and development. Our strong brands have the possibility to become even stronger.

3. Sales excellence
We will develop and reinforce sales tools and customer collaboration without prejudice. We sit on the same side of the table as our customers.

4. Daily operational efficiency
We will increase the efficiency of operations and productivity with regard to individual jobs, teams, departments, units, businesses and production plants.

5. Supply Chain efficiency
We will increase the efficiency of operations, processes and steering in the entire supply chain in close collaboration with different parties in the chain.

6. Resource optimization
We will optimise the resources that are important to us, such as expertise and technology, raw materials and energy, work processes and times.

7. Atria's Way of Leading
We will develop management. Our management involves interaction, participation and development. We get things done: we focus on solutions, not problems.

Atria’s financial targets:

- EBIT: 5%
- Equity ratio: 40%
- Return on equity: 8%
- Dividend distribution of profit from period: 50%

Atria’s Handprint programme develops corporate responsibility multidimensionally

Atria’s corporate responsibility projects were taken forward in Atria’s Handprint programme. Atria’s Handprint programme focuses on development projects connected with the environment, well-being of animals, product safety, nutrition, personnel and communication. The focus areas vary from one business area to the next according to stakeholder expectations.

Atria’s Handprint programme was implemented in all of Atria Finland’s focal areas: product safety, nutrition, personnel, animal welfare, the environment, finance and communications. In 2015 Atria Finland completed an extensive survey of its stakeholders to identify their expectations with regard to corporate responsibility. More than 3,000 respondents took part in the survey. Atria is seen as a reliable, experienced supplier, which customers, partners and employees will continue to work with. The qualities associated with food production and Atria’s corporate responsibility include Finnish origin, safe and healthy products, traceability, reliability and local production. Traceability of products made on family farms – a concept launched by Atria and made visible to consumers by stating the name of the farm of origin on meat packaging – increases the transparency and trust in the operations of the entire chain.

The management system, which has received ISO 9001:2008 and ISO 14 001:2004 certification, was recertified on 16 December 2015 at all of Atria Finland's plants.

Atria Scandinavia updated its corporate responsibility programme in 2015. 12 new objectives were defined for the focal areas of Atria Scandinavia's Handprint programme (health and safety, the environment, corporate responsibility and people) for the period to 2020.

In Atria Russia, the focal areas of the Handprint programme have been developing personnel competence and management. Additionally, projects have been initiated to improve product safety and quality.

Atria Baltic focused on corporate responsibility measures intended to prevent the spread of African swine fever. Atria has taken several precautionary measures to prevent the disease from spreading into its production facilities, and is thereby managing the existing risk.

In the accounting period, the Group had about 60 ongoing corporate responsibility projects, including the following:

- The expansion of the product safety certificates for production plants was concluded at Atria Finland
- Atria's Way of Leading – Improving the management culture in Atria Group
- Employee satisfaction survey
- Reducing the amount of salt in products and switching to iodised salt (Atria Finland)
- Development of traceability all the way to the farm and strengthening communications
- Improving the efficiency and harmonisation of purchasing within the Group

A separate corporate responsibility report was published as part of Atria's Handprint programme during the accounting period.

Financial review

Atria Group's full-year net sales totalled EUR 1,340.2 million (EUR 1,426.1 million). Net sales fell by EUR 85.9 million year-on-year. This decrease was due to the sale of the Falbygdens cheese business and the weakening of the rouble over the comparison period. Additionally, net sales were brought down by lower-than-usual sales during the summer season and intense competition. EBIT amounted to EUR 28.9 million (EUR 40.6 million). EBIT includes a total of EUR -7.2 million (EUR +1.0 million) of non-recurring items. Comparable EBIT was EUR 36.1 million (EUR 39.6 million).

At the beginning of the year, Atria Finland launched an investment worth around EUR 36 million in expanding and modernising its pig cutting plant in Nurmo. New production facilities will be built next to the old plant, and the existing facilities will be renovated and automated using the latest production technology. The investment will substantially raise the pig cutting plant's productivity and profitability: it is expected to generate annual cost savings of around EUR 8 million in the plant's operations. The cost savings will be implemented in phases and realised in full from the beginning of 2017.

The Swedish Competition Authority approved the sale of Atria Scandinavia's Falbygdens cheese business to Arla on 11 March 2015. The sale price was EUR 29.3 million when the change in net working capital as per the sales agreement was taken into account. The operations were transferred to Arla Foods AB on 1 April 2015. The sale reduces Atria's annual net sales by EUR 52 million and EBIT by EUR 3 million.

In May, Atria acquired the operations of Aalbaek Specialiteter A/S, a Danish manufacturer of organic cold cuts, for EUR 5.5 million. Aalbaek's annual net sales amount to around EUR 10 million. Aalbaek is the top organic cold cuts brand in Denmark. The transaction will strengthen Atria's market-leading position in cold cuts in the country. Aalbaek's brands and business, including all agreements, were transferred to Atria as part of the deal, along with a shop and production facilities in Farre. The operations were consolidated into Atria from 11 May 2015.

Atria sold a Russian subsidiary on 24 June 2015 for EUR 4.5 million. The company owned a farm property near Moscow. Costs of EUR 0.6 million were recorded for the sale as non-recurring items. Additionally, translation differences accrued in equity improved earnings by EUR 2.5 million.

At the beginning of September, Atria Finland launched a project to improve the productivity of chicken production at the Sahalahti plant. By eliminating overlaps and improving productivity, Atria will achieve annual savings of around EUR 1.5 million, which will be realised as of the second quarter of 2016.

In September, Atria Scandinavia initiated the reorganisation of its operations in Sweden. The reorganisation affects sales, marketing and logistics. Atria expects operational restructuring and improved efficiency to result in annual savings of about EUR 1.8 million. These savings will be realised from the beginning of 2016.

The challenging market environment in Estonia has weakened profit expectations for Atria Baltic's business. As a result of this, a goodwill impairment loss of EUR 9.1 million was recorded for Atria Baltic. The write-down affected EBIT but it had no effect on cash flow.

Investments during the period under review totalled EUR 56.9 million (EUR 62.7 million). The Group's free cash flow for the period (operating cash flow - cash flow from investments) was EUR 68.4 million (EUR 44.3 million) and net liabilities were EUR 195.5 million (31 December 2014: EUR 250.7 million).

Atria Finland's full-year net sales totalled EUR 929.0 million (EUR 945.5 million), showing a decrease of EUR 16.5 million in comparison with 2014. Net sales improved towards the end of the year. In the last quarter, net sales were better than in the corresponding period of the previous year. EBIT amounted to EUR 29.8 million (EUR 33.6 million). Comparable EBIT was EUR 29.8 million (EUR 32.7 million). This decline was due to weaker consumer demand and decreased sales prices. EBIT trends have been weighed down by oversupply on the international meat market. Atria Finland has been able to adapt its own operations to the challenging market environment. Thanks to this, cost-efficiency is good and inventories of meat raw material are under control. In 2015, difficult conditions on the meat market depressed the prices that producers can charge for meat.

Atria Scandinavia's full-year net sales totalled EUR 330.5 million (EUR 371.9 million). This decrease was due to the sale of the Falbygdens cheese business, completed on 1 April 2015. EBIT amounted to EUR 12.8 million (EUR 14.9 million). The sale of the cheese business reduced EBIT for 2015 by approximately EUR 2 million.

Atria Russia's full-year net sales amounted to EUR 75.1 million (EUR 98.8 million). Net sales in euro terms fell due to the weakening of the rouble. EBIT was EUR -0.2 million (EUR -5.7 million). Comparable EBIT came to EUR -2.1 million (EUR -6.2 million). EBIT improved thanks to price rises during the year and an optimised product selection. Day-to-day efficiency improvements at the Gorelovo plant and the use of local meat raw material also served to improve EBIT. In 2015, the Sibylla business continued to grow. Sales volumes in the retail business decreased and Atria lost some of its market share.

Atria Baltic's full-year net sales totalled EUR 32.9 million (EUR 34.5 million). EBIT was EUR -9.0 million (EUR -0.0 million). EBIT includes a goodwill impairment loss of EUR 9.1 million. Comparable EBIT was EUR 0.1 million (EUR 0.3 million). Prolonged oversupply in the international meat market and fierce price competition in the retail market have brought down meat prices. Profitability was weakened by slow sales in the summer season and measures taken to prevent the spread of African swine fever.

Group´s key figures, EUR mill.

	2015	2014	2013
Net sales	1,340.2	1,426.1	1,411.0
EBIT	28.9	40.6	19.7
EBIT, %	2.2	2.8	1.4
Non-recurring items*	-7.2	1.0	-17.3
Earnings per share, EUR	0.49	0.93	-0.15
Balance sheet total	855.4	923.5	978.1
Return on equity, %	3.6	6.6	-1.0
Equity ratio, %	47.4	44.0	42.2
Net gearing, %	48.3	61.8	74.3

*Non-recurring items are included in the reported EBIT

Financing and liquidity

The European Central Bank continued to take measures to revitalise monetary policy, leading to a further decrease in short-term interest rates in the eurozone. At the end of the year, all benchmarks other than the 9-month and 12-month Euribor rates were negative. Long-term interest rates also decreased during the first quarter but edged back up at the end of April. However, this correction levelled off and long-term interest rates peaked in the summer, decreasing for the rest of the year, with the five-year interest rate falling slightly below the level it held at the start of the year. Liquidity in the financial markets continued to be good, and corporate financing terms remained favourable throughout the year.

The Group's interest-bearing liabilities decreased by EUR 54.5 million during the financial period. In June, Atria Plc refinanced a long-term loan of EUR 30 million by taking out a new bullet loan in the same amount with a seven-year maturity. The value of committed credit facilities was reduced from EUR 150 million to EUR 125 million. In December, Atria Plc refinanced a committed credit facility of EUR 50 million, replacing it with a new credit facility in the same amount with a maturity of 5+1 years. Short-term funding was acquired mainly through commercial papers. The Group's liquidity remained good. To ensure liquidity at all times, the company had an average of EUR 114 million of unused committed credit facility during the year.

At the end of the financial period (31 December 2015), fixed interest debts accounted for 56.6 per cent (45.7%) of the Group's liabilities.

Research and development

Atria's product development plays a strong role in realising its strategy. The principal purpose of product development is to safeguard Atria's competitiveness and generate competitive advantage for products and services.

In 2015, Atria Finland launched 85 new products in the retail and food service markets. Atria Finland's product development includes strong strategic product development and operative productisation with regard to products and packaging. Product launches were distributed evenly throughout the year. Significant product launches last year included Atria Bravuuri Pulled Pork and Pulled Beef in the spring, Atria Family Farm Chicken Fillets with clear marinades and Atria Wilhelm Alder-Smoked Grill Sausages in the summer, and Atria Silky-Smooth Soups in the autumn. The new products accounted for approximately 6 per cent of total sales.

Atria Scandinavia launched 92 new products across all product groups on the Swedish and Danish markets. Atria Scandinavia's product development focuses on core product groups: sausages, delicatessen products and cold cuts. Additionally, Atria Scandinavia is investing in developing expanding product groups. Such product groups include ready meals, vegetable products and poultry. The most successful product launches in Sweden were the Lithells grill sausage for children (Lithells Barnens Grillkorv), TZAY products manufactured from soy and Lönneberga grilled chicken. In Denmark, 3-Stjernet's roast beef cold cut was the bestselling new product. Additionally, the acquisition of Aalbaek in Denmark brought new cold cuts to the product selection. In Sweden and Denmark, new products accounted for some 2.4 per cent of total sales.

In 2015, Atria Russia's product development focused on two areas: development of the company's own premium products and ramping up the production line for these, and developing the Casademont product selection. The company's own premium product selection replaces the European delicatessen products that cannot be imported into Russia due to the import embargo. The Casademont product selection consists of high-quality cured sausages made using traditional Spanish production methods. The new product families received a good reception on the market. A low-priced product selection named Starorusskie was also launched. New, low-priced products were also developed under the Pit-Product brand. Atria Russia launched 49 new products in 2015. New products accounted for 8.9 per cent of total sales.

Atria Baltic launched 55 new products in its product categories. At the end of the year, minced meat patties were launched. This is an entirely new product on the market. The rebranding of Maks&Moorits began in September. Consumers provided positive feedback on the new Maks&Moorits communication and packaging design. Atria Baltic's product development focused on highlighting traditional flavours and using local raw materials. New products accounted for about 8 per cent of total sales.

Proportion of net sales spent on research and development in Atria Group in 2013–2015:

EUR million	2015	2014	2013
Research and development	12.4	13.9	11.8
Proportion of net sales, %	0.9	1.0	0.8

Risk management at Atria

Atria's risk management policy was updated in 2015. Atria's risk management process is in line with the ISO 31000 framework as applicable.

The purpose of risk management is to support the realisation of Atria's strategy and the achievement of targets, to prevent unfavourable events from occurring and to safeguard business continuity. Atria defines risk as the effect of uncertainty on the company's objectives. Risks can cause positive or negative deviations from targets. Risks may be caused by events within Atria, or external conditions or events. Atria is subject to many different risks. For reporting purposes, Atria's risks are divided into four categories: strategic risks, operational risks, hazard risks and financial risks.

Financial risks are related to changes in market prices, the sufficiency of financial assets in the short and medium term and the ability of counterparties to meet their financial obligations.

Hazard risks are errors, malfunctions and accidents that occur within Atria or in the business environment and that cause damage or loss.

Strategic risks are related to business decisions, resource allocation, management systems and adaptation to changes in the business environment.

Strategic period: long term 3–5 years

Operational risks are related to implementation of the strategy and daily business activities. These risks include deviations in processes, systems or human activities.

Budgeting period: short term 1–2 years

The table below summarises the greatest uncertainties with positive and negative effects on Atria’s operations.

Risk	Description	Risk management
Raw material price risk	The profitability of Atria's business is greatly affected by the risk associated with changes in the international market price of meat raw material.	This risk is managed by means of centralised control of meat purchasing and price variation clauses for raw material.
Risks related to customers and consumer demand	Retail trade in the food industry is highly centralized in all of Atria’s key markets, which creates opportunities for Atria to build diverse long-term customer partnerships. However, this may increase dependence on individual customers. Over the long term, changes in consumer behaviour may change the pattern of demand for Atria’s products across different product categories.	Atria’s strong market position, efficient industrial processes, high quality and well-known brands improve its opportunities to manage risks. The company is making preparations for changes in consumption habits and the need to adapt its operations by investing in consumer-oriented product development
Risks related to animal diseases and animal welfare	Animal health and welfare is a key element of Atria’s quality, corporate responsibility and profitability. An animal disease discovered at a critical point in Atria’s production chain could interrupt production in the unit concerned and disrupt the entire chain’s operations. A serious new animal disease, such as African swine fever or avian influenza, may lead to import and export restrictions on meat products.	The company uses several stages of internal monitoring to detect potential hazards related to animal health and welfare at the earliest possible phase.
Product safety risk	As a food manufacturing company, Atria’s priority is to ensure the high quality and safety of raw materials and products throughout the production chain.	Atria has modern methods in place to ensure the safety of production processes and to eliminate various microbiological, chemical and physical hazards. Atria ensures the safety of its products in compliance with the operating practices required by its food safety management and quality certification.
Hazard risks	Atria has production plants in Finland, Sweden, Denmark, Estonia and Russia. A fire or other unexpected incident may result in plant operations being suspended. Low temperatures and repetitive movements are characteristic of work performed within the food industry. The work is often physically demanding and requires the use of cutting machines and tools, which increases the risk of accidents at work.	All of the plants are insured against material damage and business interruptions through the Group’s insurance programmes. A risk analysis is prepared annually or biannually at key plants. Continuity planning is in place to limit the potential damage caused by business interruptions. Atria aims to prevent occupational accidents, disease risks and related costs by investing significantly in safety at work and the continuous improvement of work methods and tools.
Financial risks	The risks related to financing Atria's operations are interest, liquidity, refinancing and credit risks as well as currency transaction and translation differencies.	The goal of financial risk management is to reduce the effect that price fluctuations on the financial markets and other uncertainty factors have on earnings, the balance sheet and cash flow, as well as to ensure sufficient liquidity. Atria’s financial risk management is discussed in more detail in the note 29 to the financial statements on page 82.

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

Unplanned and unforeseen incidents related to the quality and safety of raw materials and products in any part of the chain, from primary production to consumption, constitute a potential risk to Atria's operations. African swine fever is such an incident in Estonia. It has a high risk of spreading. Atria has taken several precautionary measures to prevent the disease from spreading into its production facilities, and is thereby managing the existing risk.

Risks related to business in Russia

Atria has two production plants in St Petersburg manufacturing sausages, cold cuts, meat products and pizzas for customers in the retail and food service sectors. Atria also sells Sibylla products in Russia.

Atria's sales prices are set in the local currency. The majority of the meat used by Atria is local. Foreign meat cannot be purchased from the EU due to the import embargo imposed by Russia. Personnel costs and other expenses are paid in roubles.

Fluctuations in the value of the rouble affect the net sales, EBIT and net profit of Atria Group, as well as the value of the Group's net investments. Fluctuations in the value of the rouble may also reflect changes in consumer behaviour, thereby affecting Atria Russia's rouble-denominated net sales and result. As a risk management measure, Atria Russia uses increasing amounts of local raw materials and adapts its operations to address consumer demand.

Administration and operational organisation

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

Member	Term ends
• Juho Anttikoski	2016
• Mika Asunmaa	2016
• Reijo Flink	2017
• Lassi-Antti Haarala	2018
• Jussi Hantula	2018
• Henrik Holm	2018
• Hannu Hyry	2016
• Veli Hyttinen	2017
• Pasi Ingalsuo	2017
• Marja-Liisa Juuse	2018
• Jukka Kaikkonen	2016
• Juha Kiviniemi	2017
• Pasi Korhonen	2018
• Ari Lajunen	2018
• Mika Niku	2018
• Pekka Ojala	2017
• Heikki Panula	2016
• Ahti Ritola	2016
• Risto Sairanen	2017
• Timo Tuhkasaari	2017
A total of 20 members	

At its constitutive meeting following the General Meeting, Atria Plc's Supervisory Board re-elected Hannu Hyry as its Chairman and Juho Anttikoski as Deputy Chairman.

Atria's AGM decided that the Board of Directors would consist of eight members. Esa Kaarto, Kjell-Göran Paxal and Harri Sivula, who were due to resign, were re-elected as Board members for the next three-year term. It was noted that Seppo Paavola, Timo Komulainen, Jukka Moisio, Jyrki Rantsi and Maisa Romanainen would continue as Board members.

In its constitutive meeting following the Annual General Meeting, Atria Plc's Board of Directors re-elected Seppo Paavola as its Chairman and Jyrki Rantsi as Deputy Chairman.

Atria Plc's Board of Directors now has the following composition:

Member	Term ends
• Esa Kaarto	2018
• Timo Komulainen	2016
• Jukka Moisio	2017
• Seppo Paavola	2017
• Kjell-Göran Paxal	2018
• Jyrki Rantsi	2016
• Maisa Romanainen	2016
• Harri Sivula	2018

Atria Plc's Management Team consists of the following people:
- Juha Gröhn, CEO
- Heikki Kyntäjä, CFO, Executive Vice President and Deputy CEO
- Mika Ala-Fossi, Executive Vice President, Atria Finland
- Tomas Back, Executive Vice President, Atria Scandinavia
- Jarmo Lindholm, Executive Vice President, Atria Russia
- Olle Horm, Executive Vice President, Atria Baltic

The members of the Management Team report to CEO Juha Gröhn.

Atria Plc's governance is described in more detail in a separate document: "Corporate Governance Statement".

Composition of the Nomination Committee
The following people were elected to Atria Plc's Nomination Committee, appointed by the General Meeting:
- Hannu Hyry, Farmer, representative of Lihakunta
- Henrik Holm, Farmer, representative of Pohjanmaan Liha
- Juho Anttikoski, Farmer, representative of Itikka Co-operative
- Timo Sallinen, Director, Equities, representative of Varma Mutual Pension Insurance Company
- Seppo Paavola, Agrologist, expert member, Chairman of Atria Plc's Board of Directors

The Nomination Board elected Juho Anttikoski as Chairman from among its members.

Average number of personnel (FTE)

	2015	2014	2013
Atria Finland	2,214	2,376	2,146
Atria Scandinavia	930	1,014	1,050
Atria Russia	812	1,004	1,151
Atria Baltic	315	321	322
Group total	4,271	4,715	4,669
Salaries and benefits for the period, Group total (EUR million)	176.1	189.7	182.1

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.

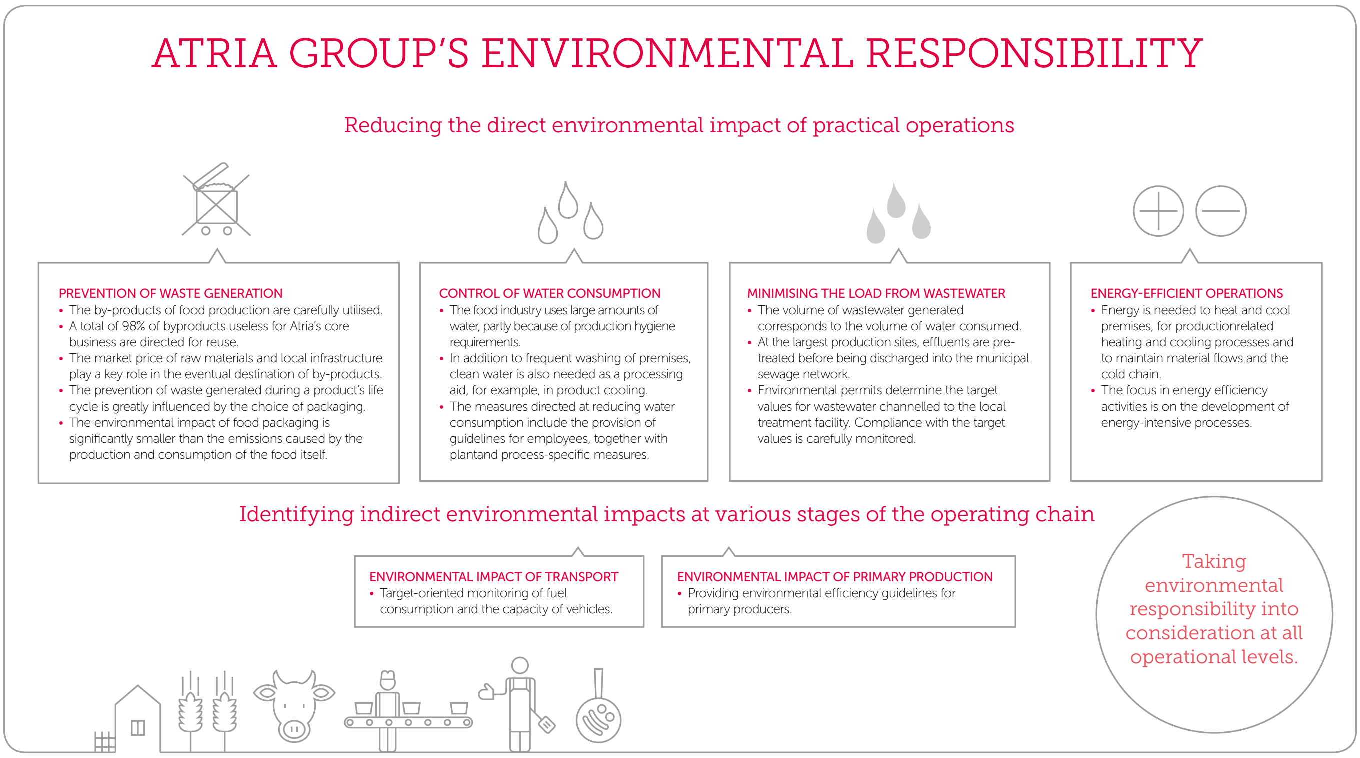
Short-term incentive plan

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.

Pension benefits

Managerial group pension benefits confirmed by Atria's Board of Directors have been arranged for the members of Atria Group's Management Team who are covered by Finnish social security. The retirement age of the group pension insurance is 63 years for the members of the Management Team. However, they have the right to retire at 60. The pension plan is payment-based, and the pension is based on the annual earnings (monetary salary and fringe benefits) of the insured as specified by the Board of Directors.

Environmental responsibility



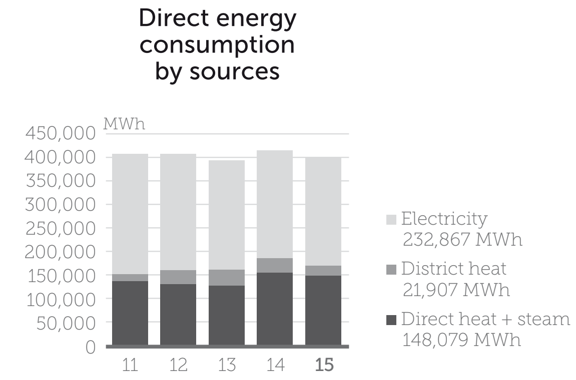
Environmental management at Atria is based on environmental legislation and the fulfilment of stakeholder expectations. Environmental management at Atria Finland and, to some extent, at Atria Scandinavia is based on an environmental management system certified in compliance with the ISO 14001 standard. In other business areas, the company strives to achieve a corresponding level of environmental management.

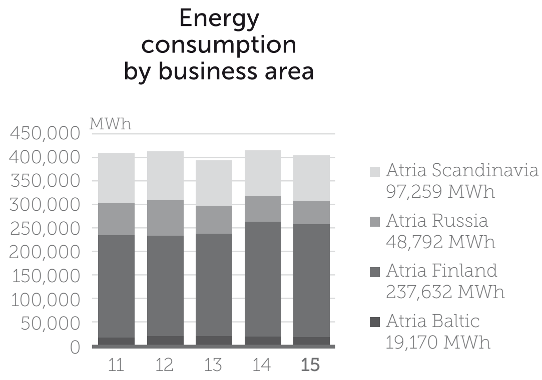
Key results in environmental responsibility

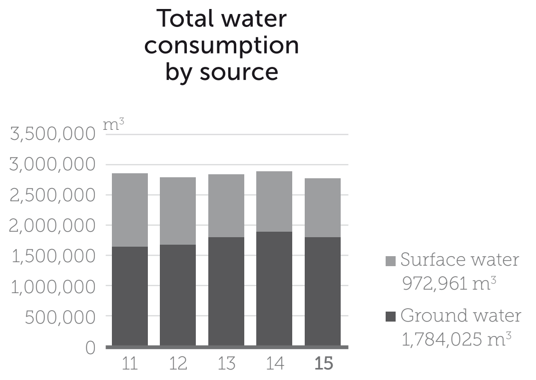
Goals 2015–2017	Results 2015
Managing direct environmental impacts: improving the efficiency of consumption and minimising emissions. Identifying environmental impacts throughout the production chain and promoting environmental efficiency	No major warnings or fines were imposed by the authorities for negligence of environmental obligations.

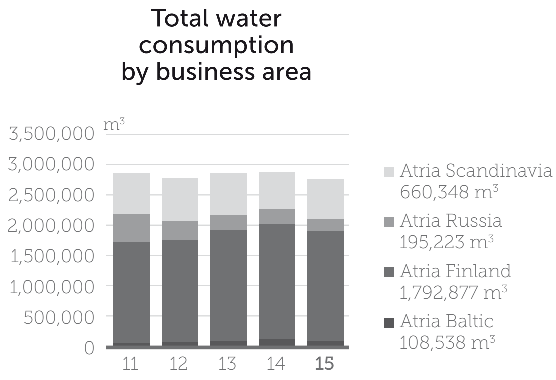
The indicators that are continuously monitored by Atria Group as part of its environmental responsibility include energy consumption, water consumption, BOD7 loads in wastewater, the materials used in food production and the by-products produced. In 2015, environmental responsibility developed in accordance with the objectives defined for the businesses.

The key objective in the environmental strategy period is to support business through a controlled use of natural resources. The objectives have been adapted to changes in the business environment, of which the most significant continue to be the advancement of energy efficiency and the prevention of waste generation.









Outlook for 2016

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

Flagging notifications

Atria Plc did not receive any flagging notifications in 2015.

Atria Plc's share capital

The breakdown of the parent company's share capital is as follows:

- Series A shares (1 vote/share) 19,063,747
- Series KII shares (10 votes/share) 9,203,981

Series A shares have preference for a dividend of EUR 0.17, after which series KII shares are paid a dividend of up to EUR 0.17. If dividend funds remain after this, series A and series KII shares entitle their holders to an equal right to a dividend.

Atria's Articles of Association include a pre-emptive purchase clause concerning KII shares. If series KII shares are transferred to a party outside the company or to a shareholder within the company who has not previously owned series KII shares, the proposed recipient of the shares must inform the Board of Directors without delay, and series KII shareholders have the right to pre-emptively purchase the shares under certain conditions. In addition, the acquisition of series KII shares by means of transfer requires approval by the company. Series A shares have no such limitations.

Information on shareholding distribution, shareholders and management holdings can be found under the heading "Shares and shareholders".

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 series 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 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 supersedes the authorisation granted by the Annual General Meeting on 6 May 2014 to the Board of Directors to decide on the acquisition of the company's own shares, and is valid until the closing of the next Annual General Meeting or until 30 June 2016, 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 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 includes the right to issue shares in a proportion other than that of the shareholders' current shareholdings in the company under the conditions provided by law, the right to issue shares against payment or without charge, and the right to decide on a share issue without payment to the company itself, subject to the provisions of the Limited Liability Companies Act on the maximum number of treasury shares.

The authorisation supersedes the share issue authorisation granted by the Annual General Meeting on 6 May 2014 to the Board of Directors, and is valid until the closing of the next Annual General Meeting or until 30 June 2016, 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.

Board of Directors' proposal for profit distribution

The parent company's shareholders' equity on 31 December 2015 comprises the invested unrestricted equity fund of EUR 110,227,500.00, the treasury share fund of EUR -1,277,443.82 and profits of EUR 73,721,828.52, of which profit for the period totals EUR 14,937,181.74.

The Board of Directors will propose to the Annual General Meeting that the distributable funds be used as follows:

• A dividend of EUR 0.40/share be paid totalling EUR	11,262,566.40
• To be retained as shareholders' equity, EUR	171,409,318.30
	182,671,884.70

No significant changes have occurred in the company's financial position since the end of the financial period. The company's liquidity is good and, according to the Board of Directors, the proposed dividend does not compromise the company's solvency.

Breakdown of share ownership

Shareholders by number of shares owned, 31 Dec 2015

Number of shares	Shareholders		Shares	
	Number	%	1,000 shares	%
1–100	5,054	41.26	255	0.90
101–1 000	5,982	48.84	2,204	7.80
1 001–10 000	1,139	9.30	2,781	9.84
10 001–100 000	56	0.46	1,417	5.01
100 001–500 000	10	0.08	1,276	4.52
500 001–1 000 000	4	0.03	2,904	10.27
1 000 001–	3	0.02	17,431	61.66
Total	12,248	100.00	28,268	100.00

Shareholders by type, 31 Dec 2015

Shareholder type	Shareholders		Shares	
	Number	%	1.000 shares	%
Companies	451	3.68	18,361	64.95
Financial and insurance institutions	30	0.25	1,584	5.60
Public corporations	9	0.07	896	3.17
Non-profit organisations	84	0.69	365	1.29
Households	11,650	95.12	5,367	18.99
Foreign owners	24	0.20	21	0.07
Total	12,248	100.00	26,592	94.07
Nominee-registered, total	9		1,675	5.93

Information on shareholders

Major shareholders, 31 Dec 2015

	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		1,119,692	1,119,692	3.96
Pohjanmaan Liha Co-operative	269,500	480,038	749,538	2.65
Varma Mutual Pension Insurance Company		524,640	524,640	1.86
Sijoitusrahasto Taalerintehdas Arvo Markka Osake		165,500	165,500	0.59
Oy Etra Invest Ab		150,000	150,000	0.53
Veritas Pension Insurance Company		143,053	143,053	0.51
Elo Mutual Pension Insurance Company		126,289	126,289	0.45
Norvestia Oyj		125,672	125,672	0.44

Major shareholders by voting rights, 31 Dec 2015

	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		1,119,692	1,119,692	1.01
Varma Mutual Pension Insurance Company		524,640	524,640	0.47
Sijoitusrahasto Taalerintehdas Arvo Markka Osake		165,500	165,500	0.15
Oy Etra Invest Ab		150,000	150,000	0.14
Veritas Pension Insurance Company		143,053	143,053	0.13
Elo Mutual Pension Insurance Company		126,289	126,289	0.11
Norvestia Oyj		125,672	125,672	0.11

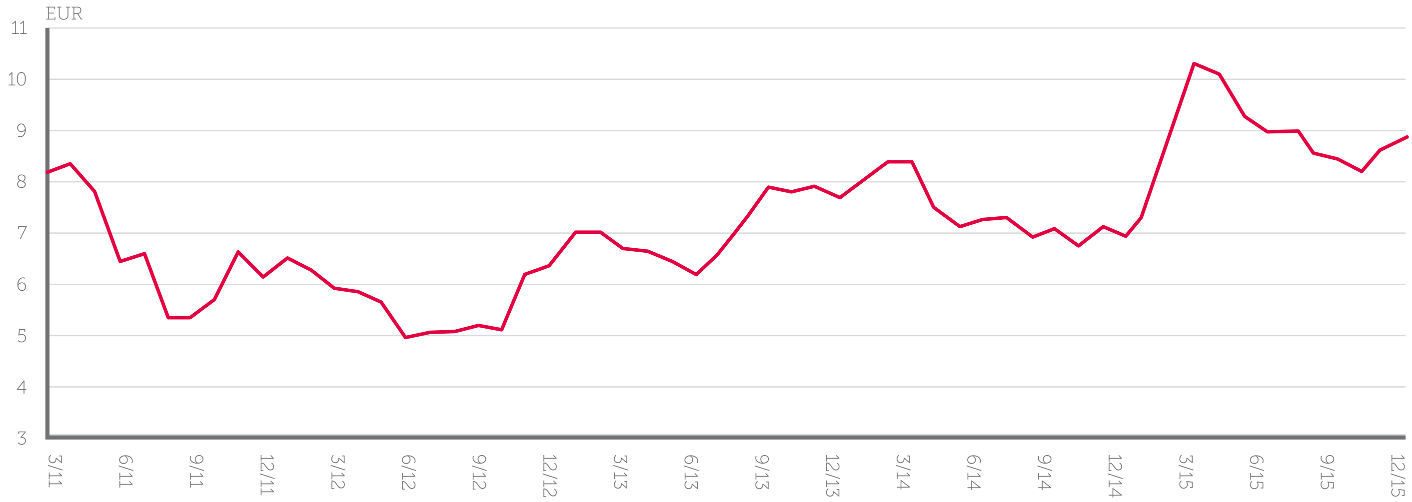
MANAGEMENT'S SHAREHOLDING

Holdings by the members of the Board of Directors and the Supervisory Board, the CEO and Deputy CEO, and members of the Group Management Team amounted to 70,365 Series A shares on 31 December 2015, representing 0.25% of the shares and 0.06% of the voting rights conferred by them,

MONTHLY TRADING VOLUME OF SERIES A SHARES IN 2015

Month	Trading, EUR	Trading, qty	Monthly low	Monthly high
January	2,611,694	351,133	6.62	7.75
February	6,511,664	740,571	7.63	9.79
March	7,854,955	765,504	9.76	10.50
April	5,281,739	524,556	9.00	10.50
May	5,093,830	551,723	8.95	9.49
June	4,103,589	456,563	8.52	9.33
July	2,427,382	269,610	8.55	9.33
August	3,730,060	433,825	7.91	8.99
September	1,543,173	182,836	7.75	8.95
October	3,695,770	450,242	7.67	8.63
November	3,565,696	410,718	8.31	9.00
December	2,707,179	305,817	8.70	9.10
Total	49,126,730	5,443,098		

Changes in the Series A share price 2011–2015 (average price)



FINANCIAL INDICATORS

EUR million	31 Dec 2015	31 Dec 2014	31 Dec 2013	31 Dec 2012	31 Dec 2011
Net sales	1,340.2	1,426.1	1,411.0	1,343.6	1,301.9
EBIT	28.9	40.6	19.7	30.2	8.0
% of net sales	2.2	2.8	1.4	2.2	0.6
Financial income and expenses	-9.2	-12.7	-15.2	-14.7	-14.1
% of net sales	-0.7	-0.9	-1.1	-1.1	-1.1
Profit before taxes	20.1	34.0	6.9	18.9	-4.7
% of net sales	1.5	2.4	0.5	1.4	-0.4
Return on equity (ROE), %	3.6	6.6	-1.0	2.4	-1.5
Return on investment (ROI), %	5.6	8.3	3.7	4.7	1.7
Equity ratio, %	47.4	44.0	42.2	41.5	39.5
Interest-bearing liabilities	199.6	254.1	334.7	370.5	409.4
Gearing, %	49.3	62.6	81.3	85.9	97.1
Net gearing, %	48.3	61.8	74.3	84.3	95.5
Gross investments in property, plant and equipment	56.9	62.7	41.1	56.2	47.0
% of net sales	4.2	4.4	2.9	4.2	3.6
Average number of personnel	4,271	4,715	4,669	4,898	5,467
Research and development costs	12.4	13.9	11.8	12.0	11.9
% of net sales*	0.9	1.0	0.8	0.9	0.9
Order stock**	-	-	-	-	-

* Booked in total as expenditure for the financial year

** Not a significant indicator as orders are generally delivered on the day after being placed

SHARE-ISSUE ADJUSTED INDICATORS PER-SHARE

EUR million	31 Dec 2015	31 Dec 2014	31 Dec 2013	31 Dec 2012	31 Dec 2011
Earnings per share (EPS), EUR	0.49	0.93	-0.15	0.35	-0.24
Equity/share, EUR	14.16	14.22	14.45	15.15	14.81
Dividend/share, EUR*	0.40	0.40	0.22	0.22	0.20
Dividend/profit, %*	81.9	43.0	-142.8	63.1	-84.5
Effective dividend yield*	4.4	6.0	2.8	3.5	3.4
Price/earnings (P/E)	18.5	7.1	-50.2	17.9	-25.1
Market capitalisation	255.8	187.1	218.5	177.0	168.2
Market capitalisation, series A	172.5	126.2	147.4	119.3	113.4
Share turnover/1,000 shares, series A	5,443	3,035	3,223	3,460	5,094
Share turnover %, series A	28.6	15.9	16.9	18.1	26.7
Total number of shares, million	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
Average share issue-adjusted number of shares	28.3	28.3	28.3	28.3	28.3
Share issue-adjusted number of shares on 31 Dec	28.3	28.3	28.3	28.3	28.3

*Board of Directors' proposal for 2015 to be submitted to the Annual General Meeting convening on 28 April 2016

Share price development, series A (EUR)					
Lowest of the period	6.62	6.43	6.01	4.76	4.99
Highest of the period	10.50	8.89	8.39	7.08	9.15
At the end of the period	9.05	6.62	7.73	6.26	5.95
Average rate during the period	9.03	7.46	7.21	5.89	7.21

FINANCIAL INDICATORS

Calculation of indicators:

Return on equity (%) $= \dfrac{\text{Profit/loss for the accounting period}}{\text{Equity (Average)}} * 100$

Return on investment (%) $= \dfrac{\text{Profit/loss before tax + interest and other financial expenses}}{\text{Equity + interest-bearing financial liabilities (average)}} * 100$

Equity ratio (%) $= \dfrac{\text{Equity}}{\text{Balance sheet total - advance payments received}} * 100$

Gearing (%) $= \dfrac{\text{Interest-bearing financial liabilities}}{\text{Equity}} * 100$

Net gearing (%) $= \dfrac{\text{Interest-bearing financial liabilities - cash and cash equivalents}}{\text{Equity}} * 100$

Earnings per share (basic) $= \dfrac{\text{Profit for the period attributable to the owners of the parent company}}{\text{Weighted average of outstanding shares}}$

Equity/share $= \dfrac{\text{Equity attributable to the owners of the parent company}}{\text{Undiluted number of shares on 31 Dec}}$

Dividend per share $= \dfrac{\text{Dividend distribution during the accounting period}}{\text{Undiluted number of shares on 31 Dec}}$

Dividend/profit (%) $= \dfrac{\text{Dividend/share}}{\text{Earnings per share (EPS)}} * 100$

Effective dividend yield (%) $= \dfrac{\text{Dividend/share}}{\text{Closing price at the end of the accounting period}} * 100$

Price/earnings (P/E) $= \dfrac{\text{Closing price at the end of the accounting period}}{\text{Earnings per share}}$

Average price $= \dfrac{\text{Overall share turnover (EUR)}}{\text{Undiluted average number of shares traded during the accounting period}}$

Market capitalisation = Number of shares at the end of the accounting period * closing price on 31 Dec

Share turnover (%) $= \dfrac{\text{Number of shares traded during the accounting period}}{\text{Undiluted average number of shares}} * 100$

CONSOLIDATED INCOME STATEMENT

EUR 1,000	Note	1 Jan–31 Dec 2015	1 Jan–31 Dec 2014
Net sales	1, 2, 32	1,340,185	1,426,068
Costs of goods sold	7, 8, 32	-1,176,862	-1,249,273
Gross profit		**163,323**	**176,795**
Sales and marketing expenses	3, 7, 8	-87,598	-96,499
Administrative expenses	4, 7, 8, 32	-41,540	-41,953
Other operating income	5, 32	5,509	6,671
Other operating expenses	6, 8, 22	-10,749	-4,444
EBIT	1	**28,945**	**40,570**
Financial income	9	12,700	19,768
Financial expenses	9	-21,933	-32,457
Net financial items		**-9,233**	**-12,689**
Income from investments accounted for using the equity method	15	425	6,165
Profit/loss before taxes		**20,137**	**34,046**
Income taxes	10, 18	-5,499	-7,237
Profit/loss for the accounting period		**14,638**	**26,809**
Profit attributable to:			
Owners of the parent		13,794	26,182
Non-controlling interests		844	627
Total		14,638	26,809
Basic earnings per share, EUR	11	0.49	0.93
Earnings per share adjusted by the dilution effect, earnings per share, EUR	11	0.49	0.93

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

1 000 EUR	Notes	1 Jan–31 Dec 2015	1 Jan–31 Dec 2014
Profit/loss for the accounting period		14,638	26,809
Other items of comprehensive income after tax:			
Items not reclassified to profit or loss			
Actuarial gains/losses from benefit-based pension obligations	10, 26	391	-831
Items reclassified to profit or loss when specific conditions are met			
Available for sale financial assets	9, 10, 16, 29	-161	20
Cash flow hedges	9, 10, 29	179	-304
Translation differences	9, 10, 29	-4,581	-25,047
Total comprehensive income for the year		10,466	647
Comprehensive income distribution for the financial period:			
Owners of the parent		9,570	155
Non-controlling interests		896	492
Total		10,466	647

The notes on pages 56 to 94 are an integral part of the consolidated financial statements,

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS, EUR 1,000	Note	31 Dec 2015	31 Dec 2014
Non-current assets			
Property, plant and equipment	1, 12, 22, 33	394,720	390,739
Biological assets	13	702	738
Goodwill	14, 33	157,908	163,601
Other intangible assets	14, 33	79,244	75,837
Investments in joint ventures and associates	15, 32	13,063	13,217
Other financial assets	16, 29	1,103	1,312
Trade receivables, loans and other receivables	17, 29	11,229	11,272
Deferred tax assets	10, 18	7,038	6,060
Total		665,007	662,776
Current assets			
Inventories	19, 22,33	80,796	92,937
Biological assets	13	3,076	3,167
Trade and other receivables	20, 22, 29, 32, 33	101,467	116,744
Current tax assets		880	3,938
Cash and cash equivalents	21, 29, 33	4,140	3,384
Total		190,359	220,170
Assets classified as held for sale	22, 34	-	40,580
Total assets	1	855,366	923,526

EQUITY AND LIABILITIES, EUR 1,000	Note	31 Dec 2015	31 Dec 2014
Equity attributable to the shareholders of the parent company			
Share capital		48,055	48,055
Share premium		138,502	138,502
Treasury shares		-1,277	-1,277
Other funds		-4,387	-4,406
Invested unrestricted equity fund		110,571	110,571
Translation differences		-51,415	-46,782
Retained earnings		160,158	157,237
Total	10, 11, 18, 23, 29	400,207	401,900
Non-controlling owners' share		4,608	3,712
Total equity		404,815	405,612
Non-current liabilities			
Interest-bearing financial liabilities	24, 29	155,626	202,558
Deferred tax liabilities	10, 18, 33	45,305	43,800
Other liabilities	25, 29	5,874	5,697
Pension obligations	26	7,425	7,689
Provisions	27	-	712
Total		214,230	260,456
Current liabilities			
Interest-bearing financial liabilities	24, 29	44,004	51,539
Trade and other payables	22, 28, 29, 32, 33	192,077	198,805
Current tax liabilities		240	6
Total		236,321	250,350
Liabilities associated with assets classified as held for sale	22, 34	-	7,108
Total liabilities	1	450,551	517,914
Total equity and liabilities		855,366	923,526

The notes on pages 56 to 94 are an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

		Equity attributable to the owners of the parent company								Share of non-controlling interests	Total equity
EUR 1,000	Note	Share capital	Share premium	Treasury shares	Other funds	Invested unrestricted equity fund	Translation differences	Retained earnings	Total		
Equity on 1 Jan 2014		48,055	138,502	-1,277	-4,123	110,571	-21,868	138,639	408,499	3,219	411,718
Changes in retained earnings from previous years *)								-559	-559		-559
Total comprehensive income for the year											
Profit/loss for the accounting period								26,182	26,182	627	26,809
Other items of comprehensive income											
Available for sale financial assets	16				20				20		20
Cash flow hedges	29				-304				-304		-304
Acturial losses from pension benefits	26							-831	-831		-831
Translation differences	9, 10				1		-24,914		-24,913	-134	-25,047
Transactions with owners											
Dividend distribution	23							-6,194	-6,194		-6,194
Equity on 31 Dec 2014		48,055	138,502	-1,277	-4,406	110,571	-46,782	157,237	401,900	3,712	405,612
Total comprehensive income for the year											
Profit/loss for the accounting period								13,794	13,794	844	14,638
Other items of comprehensive income											
Available for sale financial assets	16				-161				-161		-161
Cash flow hedges	29				179				179		179
Acturial gains from pension benefits	26							391	391		391
Translation differences	9, 10				1		-4,634		-4,633	52	-4,581
Transactions with owners											
Dividend distribution	23							-11,263	-11,263		-11,263
Equity 31 Dec 2015		48,055	138,502	-1,277	-4,387	110,571	-51,416	160,159	400,207	4,608	404,815

*) Atria Russia's adjustment of holiday pay liabilities for previous years

The notes on pages 56 to 94 are an integral part of the consolidated financial statements.

CONSOLIDATED CASH FLOW STATEMENT

EUR 1,000	Note	1 Dec–31 Dec 2015	1 Jan–31 Dec 2014
Cash flow from operating activities			
Payments received from sales		1,344,268	1,424,642
Payments received from other operating income		2,021	2,159
Payments on operating expenses		-1,249,652	-1,313,527
Interest paid and payments on other financial expenses	9	-13,724	-36,658
Dividends received	9	24	76
Interest payments received and other financial income	9	8,495	19,699
Direct taxes paid	10	-794	-4,200
Cash flow from operating activities		90,638	92,191
Cash flow from investments			
Investments in tangible and intangible assets		-50,226	-33,901
Acquired businesses, net of cash acquired on the date of acquisition	33	-5,482	-32,530
Sold operations, net of cash acquired on the date of sale	34	33,699	11,943
Acquired shares in associates		-	-111
Change in long-term loan receivables		238	-2,784
Change in other investments		-1,088	1,175
Dividends received		576	8,359
Cash flow from investments		-22,283	-47,849
Cash flow from financing activities			
Draw down of long-term loans		30,158	-
Repayment of long-term loans		-40,802	-52,261
Decrease in short-term loans		-45,658	-11,163
Dividends paid	23	-11,263	-6,194
Cash flow from financing activities		-67,565	-69,618
Change in cash and cash equivalents		790	-25,276
Cash and cash equivalents at the beginning of the financial year		3,384	28,844
Effect of exchange rate changes		-34	-184
Cash and cash equivalents at the end of the financial year	21	4,140	3,384

The notes on pages 56 to 94 are an integral part of the consolidated financial statements.

Basic corporate information

The parent company of the Atria Group, Atria Plc, is a Finnish public company formed in accordance with Finnish law and domiciled in Kuopio, Finland. The company has been listed on Nasdaq Helsinki Ltd since 1991. Copies of the consolidated financial statements are available online at www.atria.com or from the parent company's head office at Itikanmäenkatu 3, Seinäjoki; postal address: P.O. Box 900, FI-60060 ATRIA.

Atria Plc and its subsidiaries manufacture and market food products, especially meat products, poultry products, meals and food concepts. Atria have established Finland, Sweden, Denmark, European parts of Russia and the Baltic countries as its market area. Atria's subsidiaries are also located in this area. The Group's operations are divided into four business areas: Atria Finland, Atria Scandinavia, Atria Russia and Atria Baltic.

The financial statements were approved by the Board of Directors for publication on 10 February 2016. According to the Finnish Companies Act, the shareholders are entitled to approve or reject the financial statements in the Annual General Meeting to be held after their publication. The Annual General Meeting can also make a decision to revise the financial statements.

Accounting policies

BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) endorsed by the EU. The IAS and IFRS standards valid on 31 December 2015 have been followed, as well as SIC- and IFRIC-interpretations. The IFRS refer to standards and interpretations thereof approved for application in the EU in compliance with the proceedings stipulated in Regulation (EC) 1606/2002, as referred to in the Finnish Accounting Act and subsequent regulations. The notes to the consolidated financial statements also comply with Finnish accounting and corporate legislation.

The consolidated financial statements have been prepared under the historical cost convention except for biological assets, available-for-sale financial assets, financial assets and liabilities measured at fair value through profit or loss and derivative financial instruments. From the moment of classification, the assets held for sale are measured at the lower of their book value and fair value less cost to sell.

The consolidated financial statements are presented in thousands of euros, with sums rounded off to the nearest thousand.

CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

a) New and amended standards, effective 1 of January or periods after

- New and amended standards, effective 1 January 2015, did not have material impact on Atria's consolidated financial statements.

b) New standards and interpretations that have been issued and are effective for periods after 1 of January 2015

- IFRS 9 Financial Instruments and associated amendments to various other standards (effective 1.1.2018, not endorced by the EU).

IFRS 9 replaces the multiple classification and measurement models in IAS 39 Financial instruments: Recognition and measurement with a single model that has initially only two classification categories: amortised cost and fair value.

Classification of debt assets will be driven by the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. A debt instrument is measured at amortised cost if:
a) the objective of the business model is to hold the financial asset for the collection of the contractual cash flows, and
b) the contractual cash flows under the instrument solely represent payments of principal and interest.
All other debt and equity instruments, including investments in complex debt instruments and equity investments, must be recognised at fair value.

All fair value movements on financial assets are taken through the statement of profit or loss, except for equity investments that are not held for trading, which may be recorded in the statement of profit or loss or in reserves (without subsequent recycling to profit or loss). For financial liabilities that are measured under the fair value option entities will need to recognise the part of the fair value change that is due to changes in the their own credit risk in other comprehensive income rather than profit or loss.

The new hedge accounting rules (released in December 2013) align hedge accounting more closely with common risk management practices. As a general rule, it will be easier to apply hedge accounting going forward. The new standard also introduces expanded disclosure requirements and changes in presentation.
In December 2014, the IASB made further changes to the classification and measurement rules and also introduced a new impairment model. With these amendments, IFRS 9 is now complete. The changes introduce:
- a third measurement category (FVOCI) for certain financial assets that are debt instruments
- a new expected credit loss (ECL) model which involves a three-stage approach whereby financial assets move through the three stages as their credit quality changes. The stage dictates how an entity measures impairment losses and applies the effective interest rate method. A simplified approach is permitted for financial assets that do not have a significant financing component (e.g. trade receivables). On initial recognition, entities will record a day-1 loss equal to the 12 month ECL (or lifetime ECL for trade receivables), unless the assets are considered credit impaired.

The new rules must be adopted in their entirety. The Group is assessing the effects of the new standard. According to the Group's estimate, the amendments will have no material impact on Atria's consolidated financial statements.

- IFRS 15 Revenue from contracts with customers and associated amendments to various other standards (effective 1.1.2018, not endorced by the EU).

The IASB has issued a new standard for the recognition of revenue. This will replace IAS 18 which covers contracts for goods and services and IAS 11 which covers construction contracts. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer – so the notion of control replaces the existing notion of risks and rewards. A new five-step process must be applied before revenue can be recognised:
- identify contracts with customers
- identify the separate performance obligation
- determine the transaction price of the contract
- allocate the transaction price to each of the separate performance obligations, and
- recognise the revenue as each performance obligation is satisfied.

Key changes to current practice are:
- Any bundled goods or services that are distinct must be separately recognised, and any discounts or rebates on the contract price must generally be allocated to the separate elements.
- Revenue may be recognised earlier than under current standards if the consideration varies for any reasons (such as for incentives, rebates, performance fees, royalties, success of an outcome etc.) Minimum amounts must be recognised if they are not at significant risk of reversal.
- The point at which revenue is able to be recognised may shift: some revenue which is currently recognised at a point in time at the end of a contract may have to be recognised over the contract term and vice versa.
- There are new specific rules on licenses, warranties, non-refundable upfront fees and, consignment arrangements, to name a few.
- As with any new standard, there are also increased disclosures.

These accounting changes may have flow-on effects on the entity's business practices regarding systems, processes and controls, compensation and bonus plans, contracts, tax planning and investor communications.
Entities will have a choice of full retrospective application, or prospective application with additional disclosures.
During the year 2016 the Group will launch a study in all business areas to assess the possible impacts.

- Annual improvements 2012-2014 (effective for 1 of January 2016 or after) will have no material impact on Atria's consolidated statements according to the Group's estimate

ACCOUNTING POLICIES CALLING FOR JUDGMENTS BY THE MANAGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY

When preparing the financial statements, discretion must be used in applying the accounting policies. In addition, the management must make assessments and assumptions concerning the future and affecting assets and debts in relation to responsibilities, profits and costs. The realised values may deviate from the original assessments and assumptions.

Key discretionary decisions when applying the accounting policies

The Group management must make discretionary decisions regarding the choice and application of accounting policies. This, in particular, applies to cases where the IFRS practice in force contains alternative recognition, measurement or presentation procedures. The management has exercised judgment in the classification of assets and financial items, in the recognition of deferred tax assets and reserves and in the definition of material investments in associates and joint ventures.

Key accounting assessments and assumptions:

The assessments are based on the management's best estimate at the end date of the reporting period. They are affected by previous experiences as well as assumptions about the future that are deemed the most likely at the end of the period and are related to the expected developments in the economic environment. Any changes in the assessments and assumptions are recognised in the accounting period in which the assessment or assumption is adjusted and in all subsequent accounting periods.

Measurement of the fair value of assets acquired in business combinations:

The assets and liabilities acquired in business combinations are valued using the fair value at the time of acquisition. In significant business combinations, the Group has used an external advisor when measuring the fair value of tangible and intangible assets. In the case of tangible assets, comparisons have been made with the market price of corresponding assets, and the assets have been estimated for impairment caused by their age, wear and other similar factors. The fair value of intangible assets is determined based on assessments of asset cash flows. The management believes that the assessments and assumptions are sufficiently detailed to be used as the basis for fair value measurement.

Impairment of assets:

The Group reviews any indication of impairment of tangible and intangible assets at least at the end date of each reporting period. The Group conducts annual impairment tests on goodwill and intangible assets with indefinite useful lives. It also assesses any indication of impairment in accordance with the accounting policies.

Accounting policies for the consolidated financial statements

SUBSIDIARIES

The consolidated financial statements include the parent company, Atria Public limited company, and all its subsidiaries over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries acquired during the financial year are consolidated from the date of their acquisition and divested subsidiaries are included up to their date of sale.

The acquisition method of accounting is used to account for acquisitions of separate entities or businesses by the Group. Consideration transferred and the identifiable acquired assets and assumed liabilities of the acquired business are measured at fair value at acquisition date. Consideration transferred includes the fair value of an asset or liability arising from a contingent consideration arrangement. The costs of acquisition are charged to the income statement in the period in which they are incurred and the related services are received. The non-controlling interest in the acquired business is recognised on acquisition basis either at fair value or based on their relative share of the amounts of identifiable net assets of the acquired business.

Where the consideration transferred together with the non-controlling interest and the fair value of the previously held interest exceeds the fair value of the acquired net assets, the excess is recorded as goodwill in the balance sheet. If the sum total of the consideration, the amount of the non-controlling interest and previously held interest is less than the fair value of the acquired net assets, the difference is recorded through income statement.

All intra-Group transactions, profit distribution, receivables and liabilities and unrealized gains are eliminated. The accounting policies applied by subsidiaries have been, where necessary, revised to match the Group policies.

The parent's change of ownerships with the subsidiaries, which do not lead to a loss of control, are treated as equity transactions. When shares are purchased from non-controlling shareholders, the difference between the consideration paid and the book value of the share acquired of the net assets of the subsidiary is recognised in equity. Profit or loss from the sale of shares to non-controlling shareholders is also recognised in equity.

When the control by the Group ceases to exist, any remaining interest is measured at fair value on the date of the loss of control and the change in book value is recognised through income statement. This fair value serves as the initial book value when the remaining interest is later recognised as an associate, joint venture or financial assets. In addition, the amounts of the said entity previously recognised in other comprehensive income are treated as if the Group had directly disposed the associated assets and liabilities. This may mean that amounts previously recognised as other comprehensive income are reclassified to income statement.

ASSOCIATED COMPANIES AND JOINT ARRANGEMENTS

Associate companies, where the Group holds voting rights of between 20% and 50% and in which the Group has significant influence but not control are consolidated using the equity method.

A joint arrangement is an arrangement of which two or more parties have joint control. Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. The Group's joint arrangements are joint ventures and they are consolidated using the equity method.

When using the equity method, the investment is initially recognised at acquisition cost and this amount is increased or decreased to recognise the investor's share of the subsequent profits or losses of the investee after the time of acquisition. The group's investment in associates and joint ventures includes goodwill identified on acquisition.

If the interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss.

The Group's share of associates' post-acquisition profits or losses is recognised under operating profit in the income statement. The book value of the investment is adjusted accordingly. If the Group's share of the loss of an associate equals or exceeds its interest in the associate, any other unsecured receivables included, the Group will not recognise further losses if it does not have a legal or factual obligation to do so and it has not made payments on behalf of the associate.

FOREIGN CURRENCY TRANSLATION

Items included in the financial statements of each of the Group companies are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in euros (EUR), which is the parent companys functional currency and the parent company's and the Group's presentation currency.

Foreign currency transactions are translated using the exchange rates prevailing at the dates of the transactions. Foreign currency receivables and liabilities are translated using the exchange rate prevailing at the end of the reporting period. Exchange differences arising from translation are recognised in the income statement and presented within operating profit. Exchange gains and losses from forward exchange agreements protecting financial transactions are included in financial income and expenses as part of the fair value change of the agreements. Those exchange rate changes of derivative financial instruments that are qualifying cash flow hedges or are used to effectively protect foreign net investments and net investment related loans have been recognised in other comprehensive income.

The income statements and balance sheet items of the Group companies outside the euro zone are accounted for in the currency that is the currency of the operating region of the company in question. The income statements of Group companies outside the euro zone are translated into euros at the average exchange rate for the accounting period, and the balance sheets at the closing exchange rate. Differences resulting from the translation are recognised as part of translation differences in other comprehensive income. The translation differences arising from the elimination of the acquisition costs of subsidiaries outside the euro zone and the hedge profit deriving from the corresponding net investments are recognised in other comprehensive income as well. When a foreign operation is partially disposed of or sold, exchange rate differences recognised in equity are recognised in the income statement.

Goodwill and fair value adjustments arising on the acquisition of the foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at the cost of purchase or construction less accumulated depreciation and impairment losses.

If the property, plant or equipment consists of several parts with different useful lives, each part is treated as a separate asset. The costs arising from replacing the part are capitalized. Other subsequent expenditure is included in the acquisition cost only if it is probable that the future benefit connected to the asset will benefit the Group, and the acquisition cost of the asset can be reliably determined. All other repair and mainenance costs are recognised in the income statement as an expense as incurred.

Depreciation is recorded using a straight-line method over the estimated useful lives of the assets as follows:
- Buildings..25–40 years
- Machinery and equipment........................5–10 years
- Other tangible assets ....5–10 years

No depreciation is carried out on land and water. Asset items that cannot be recognised under property, plant and equipment due to their nature or depreciation periods are recognised as other tangible assets.

The residual value and useful life of assets are reviewed annually at the closing of the accounts and, if necessary, adjusted so that the book value is equal to the recoverable amount.

The depreciation of property, plant and equipment ends when the asset item is classified as available for sale in accordance with IFRS 5, Non-current Assets Held for Sale and Discontinued Operations.

Gains and losses on the disposal or transfer of property, plant or equipment are included in other operating income or expenses.

Leases – Group as lessor:
Lease contracts concerning tangible assets in which the Group has a significant share of the risks and rewards related to ownership are classified as finance leases. Finance leases are entered in the balance sheet at the fair value of the leased asset on the day the lease period begins, or at a lower value that corresponds to the present value of the minimum lease payments. The depreciation of assets acquired with finance leases is made for the period of their useful life or a shorter leasing period. Lease payments are apportioned between a finance charge and debt amortisation over the lease period, so that the interest rate for the outstanding liability in each financial year remains constant. Lease obligations are included in interest-bearing debts.

Leases where the risks and rewards related to ownership remain with the lessor are accounted for as operating leases, where rental payments are recognised as expenses in the income statement during the lease period.

INTANGIBLE ASSETS

Goodwill:

Goodwill represents the Group's share of difference between the consideration transferred and the identifiable acquired assets and assumed liabilities measured at fair value at the acquisition date. Goodwill is not amortised but is tested for impairment and it is measured at cost less impairment losses. An impairment loss recognised for goodwill is not reversed.

Goodwill is tested annually for impairment. For this purpose, goodwill has been allocated to cash-generating units. The Group's cash-generating units are classified by business segment based on the operations and location of subsidiaries. They are Atria Finland, Atria Scandinavia, Atria Russia and Atria Estonia.

Other intangible assets:

An Intangible asset is initially capitalized in the balance sheet at cost if the cost can be measured reliably and it is probable that the company will receive future economic benefit from the asset.

Intangible assets with a limited useful life are amortised on a straight-line method over their estimated useful lives. Intangible assets with indefinite useful lives are not amortised, but instead they are tested annually for impairment.

Depreciation is recorded using a straight-line method as follows:
- Customer relationships ....3–8 years
- Trademarks .... 5–20 years
- Other intangible assets *)..........................5–10 years

*) Includes software and subscription fees

IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS

On each closing date, the Group reviews intangible and tangible assets to see whether there are any indications of impairment. If there are such indications, the recoverable amount from the said asset is estimated. The recoverable amount of goodwill and intangible assets with indefinite useful lives is assessed annually and whenever indications of impairment are detected. The recoverable amount is the higher of the present value of the future cash flows (value in use) and the fair value of the asset less costs of disposal. If the recoverable amount cannot be assessed per item, the impairment need is observed on the level of cash- generating units, i.e. at the lowest unit level which is mainly independent of other units and at which cash flows can be distinguished from other cash flows.

Impairment loss is recognised if the book value of the asset is higher than the recoverable amount. Impairment loss is recognised immediately in the income statement. If the impairment loss arises with regard to a cash-generating unit, it is first allocated to reduce the goodwill and then to reduce the other assets of the unit pro rata. The useful life of the depreciated asset is re-evaluated in conjunction with the recognition of an impairment loss. An impairment loss recognised for an asset other than goodwill is reversed if there has been a change in the estimates used to determine the amount recoverable from the said asset. However, the impairment loss may not be reversed in excess of what the asset's book value would be without the recognition of the impairment loss. An impairment loss recognised for goodwill is never reversed.

INVENTORIES

Inventories are measured at the lower of cost or probable net realisable value. The cost is determined using the first-in first-out (FIFO) method. The cost for finished and unfinished products consists of raw materials, direct labour costs, other direct costs, and the appropriate share of manufacturing-related variable overheads and fixed overheads at a normal level of operations. The net realisable value is the estimated selling price in the ordinary course of business, less the estimated selling expenses.

BIOLOGICAL ASSETS

The Group's biological assets are living animals. They are measured at fair value, less estimated sales-related expenses. Productive animals are included in tangible assets and other animals are included in inventories.

The fair value of productive animals has been measured at cost less an expense corresponding to a reduction of value in use caused by aging. There is no available market price for productive animals. The fair value of slaughter animals equals their market price, which is based on the company's slaughter animal procurement/sales in the local market.

FINANCIAL ASSETS

Classification

The Group's financial assets are classified in the following catogories:

- Financial assets at fair value through profit or loss
- Loans and receivables
- Available-for-sale financial assets

The classification is made on their purpose of use, and the assets are classified in connection with the initial recognition.

Regular purchases and sales of financial assets are recognised or derecognised using trade date i.e. the date on which the Group commits to purchase or sell the asset. Financial assets are classified as non-current assets when they fall due more than 12 months from the closing date. If the financial assets are intended to be kept for less than 12 months, they are classified as current assets. The Group derecognises financial assets when it has lost its right to receive the cash flows or when it has transferred substantially all the risks and rewards of ownership to an external party.

The group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired if they have not been measured at the fair value from the beginning.

Financial assets recognised at fair value through profit or loss:
In this category are classified such financial assets that are held for trading. Financial assets held for trading are acquired mainly to generate profit from changes in short-term market prices. The derivatives that are used by the Group and that are not subject to hedge accounting in accordance with IAS 39 have been classified as held for trading. The assets belonging to this category have been classified as current assets and are carried at fair value.

Unrealised and realised profits and losses due to changes in the fair value of the "financial assets at fair value through profit or loss" category are recognised in the income statement in the accounting period in which they occur.

Loans and other receivables:
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The trade and other receivables as well as cash and cash equivalents are included in the Group's loans and receivables. They are recognised at amortised cost.

Available-for-sale financial assets:
Available-for-sale financial assets are non-derivative assets that have been classified in this category or that have not been classified in any other category. They are included in non-current assets unless they fall due or are intended to be kept for less than 12 months from the closing date, in which case they are included in current assets. Available-for-sale financial assets are measured at fair value at the balance sheet date and their fair value changes are recognised in equity. The change in fair value is presented in other comprehensive income.

When securities classified as available-for-sale are sold or impaired, the accumulated fair value changes recognised in equity are included in the income statement as financial income and expenses. Dividends on available-for-sale equity instruments are recognised in the income statement when the Group's right to receive payments is established as financial income. The fair values of quoted financial assets are determined based on the market value. If the market for a financial asset is not active (and for unlisted securities), fair value is established through valuation techniques. These include the use of recent arm's-length transactions between independent parties, fair values of other instruments that are substantially similar and discounted cash flow analysis. The models make maximum use of market inputs and they rely as little as possible on entity-specific inputs.

DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGE ACCOUNTING

When derivative contracts are entered into, they are recognised at fair value and subsequently they are re-measured at their fair value. The recognition of changes in the fair value of derivatives depends on whether the derivative instrument qualifies for hedge accounting and, if so, on the hedged item.
The Group designates certain derivatives as either:

- hedges of interest rate, currency or electricity price risks associated with a recognised asset or liability or a highly probable forecast transaction (cash flow hedge); or
- hedges of a net investment in a foreign operation (net investment hedge).

The relationship between hedging instruments and hedged items is documented at the inception of the hedging transaction. Risk management objectives and strategies for undertaking various hedge transactions are documented as well. The Group documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedge transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

The full fair value of a hedging derivative is classified as a non-current asset or liability when the maturity of the hedged item is more than 12 months and as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as current assets or liabilities.

Valuation principles:

The fair value of forward exchange agreements is calculated by applying the forward rate at the balance sheet date. The fair value of interest rate swaps is calculated by discounting the future cash flows using interest rate curves for the currencies in question. Electricity derivatives are measured at fair value using the market prices at the balance sheet date.

Cash flow hedge:

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognised in other comprehensive income and accumulated in equity. The gain or loss relating to the ineffective portion is recognised immediately in the income statement under the appropriate item. Gains and losses accumulated in equity are re-reclassified in the income statement in the periods when the hedged item affects profit or loss (for example, when the forecast purchase that is hedged takes place). However, when the forecast transaction that is hedged results in the recognition of a non-financial asset (for example, inventories or fixed assets), the gains and losses previously deferred in equity are transferred from equity and included in the initial acquisition cost of the asset. The deferred amounts are ultimately recognised in costs of goods sold in case of inventories, or in depreciations in case of fixed assets. When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at the time remains in equity and is recognised in the income statement only when the forecast transaction occurs. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the income statement under the appropriate account.

Net investment hedge:

Hedges of net investments in foreign operations are accounted for in the same way as cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in the income statement. Gains and losses accumulated in equity are included in the income statement when the foreign operation is partially disposed of or sold.

Derivatives to which hedge accounting is not applied:

Certain derivative financial instruments do not meet the criteria for hedge accounting. All changes in the fair value of these derivatives are immediately recognised in the appropriate account of the income statement.

TRADE RECEIVABLES

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at fair value and are subsequently measured at amortised cost less provision for impairment.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash and bank deposits available on demand. Items classified as cash and cash equivalents have a maximum maturity of three months from acquisition. Available credit limits are included in current interest-bearing liabilities.

NON-CURRENT ASSETS HELD FOR SALE

Non-current assets are classified as held for sale if their book value is to be recovered through a sale transaction rather than through continuing use. The recognition criteria is regarded to be met when a sale is highly probable and the asset is available for immediate sale in its present condition subject only to terms that are usual and customary. Furthermore, management must be committed to the sale, which should be expected to occur within one year of the date of classification.

Immediately before being classified as held for sale, these assets are measured in accordance with the applicable IFRS standards. Thereafter, the assets are measured at the lower of their book value and fair value less cost to sell. These assets are no longer depreciated after the classification.

SHAREHOLDERS' EQUITY

Ordinary shares are presented as share capital. Expenses related to the issue or acquisition of equity instruments are presented as a deductible item under equity.

If a Group company acquires shares in the company, the consideration paid for them and the expenses arising directly from the acquisition, taking the tax effect into consideration, are deducted from the shareholders' equity until the shares are either cancelled or reissued. If the shares are reissued, the consideration received for them less transaction costs directly attributable to the shares is included in the shareholders' equity, taking the tax effect into consideration.

FINANCIAL LIABILITIES

Financial liabilities (other than derivative instruments) are initially recognised at fair value, net of transaction costs incurred. They are later measured at amortised cost using the effective interest rate method. Financial liabilities are classified as current or non-current liabilities.

A one-off credit fee related to committed credit facilities is recognised as prepayment for liquidity services and amortised over the period of the facility to which it relates. The credit limit fees related to such facilities are similarly expensed based on the passing of time.

PROVISIONS

A provision is entered when the Group has, as a result of a past event, a legal or constructive obligation, and it is probable that an outflow of resources will be required to settle the obligation and the amount of the obligation can be reliably estimated. Provisions are measured at the present value of the expenses required to cover the obligation. The amounts of provisions are reviewed on each closing date and adjusted to correspond to the best estimate at that time. Changes in provisions are recognised in the income statement in the same item where the original provision was entered.

REVENUE RECOGNITION

Net sales are determined on the basis of the fair value of considerations received or to be received for the sale of products and services, raw materials and supplies, adjusted by indirect taxes and discounts based on normal contractual principles applied in the industry. Revenue from the sale of goods is recognised when the risks and rewards of owning the goods have been transferred to the buyer and revenue from services when the service has been completed. Rental income is recognised on a straight-line basis over the lease period.

Interest rates are recognised based on the passing of time, taking into account the effective income from the asset. Dividend income is recognised when the shareholders' right to payment is established.

EMPLOYEE BENEFITS

Pension obligations:

The Group companies have various pension plans in accordance with local conditions and practises throughout the operating countries.Pension arrangements are classified as either defined contribution plans or defined benefit pension plans.

In defined contribution plans, the Group makes fixed payments into a separate unit. The Group has no legal or constructive obligation to make additional payments, if the recipient of the payments cannot pay the pension benefits in question. All plans that do not fulfil these conditions are defined benefit pension plans.

Payments made into defined contribution plans are recognised in the income statement in the reporting period to which they apply. The Group's pension plans are mainly defined contribution plans.

In defined benefit plans the company still has an ongoing obligation for the plan even after the payment for the period has been made. For arrangements classified as defined benefit plans, actuarial estimates acquired on a yearly basis serve as the grounds for recognising an expense and liability or asset in the financial statements. Actuarial gains or losses are recognised as equity refund or charge through other comprehensive income in the financial period in which they occur.

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.

RESEARCH AND DEVELOPMENT EXPENSES

Research expenditure is recognised as an expense in the balance sheet. Expenditure on development activities related to new products is capitalized in the balance sheet when there is enough certainty that the future economic benefits are expected to be available from the product and the Group has intention and resources to finalize the development. Capitalized development expenditure is recognised as project-specific expenses over the useful life of the product. The asset is amortised from the time it is ready for use. The Group has no capitalized development expenses.

GOVERNMENT GRANTS

Grants received as compensation for expenses are recognised in the income statement, while expenses connected with the grant are entered as costs. Such grants are entered under other operating income. The nature of the grants varies from one country to the next and the grants are only recognised after all the terms and conditions of the grant have been met, so the company does not have a repayment obligation regarding grants received.

Government grants, such as grants received for the acquisition of property, plant and equipment, are recognised as a deduction in the book value of property, plant and equipment when it is reasonably certain that the grant will be received and that the Group company fulfils the prerequisites for receiving the grant. Grants are recognised as income in the form of lower depreciation during the useful life of the asset.

INCOME TAXES

The Group income statement includes current taxes of Group companies based on taxable profit for the financial period according to local tax regulations as well as adjustments to prior year taxes and changes in deferred taxes. Taxes are entered in the income statement except if they are connected to other comprehensive income or to items recognised directly in equity. In this case the tax is also entered in other comprehensive income or directly in equity. The taxes, based on taxable profit for the financial year, are calculated using the current tax rate of each country.

Deferred taxes are recognised from all temporary differences between the book value and the tax base. The biggest temporary differences arise from the depreciation of property, plant and equipment and fair value measurement in connection with acquisitions. No deferred tax is booked for non-deductible goodwill impairment or the subsidiaries' undistributed profits if the difference is not likely to dissolve in the foreseeable future.

Deferred tax is calculated using the tax rates provided on the balance sheet date. Deferred tax assets are recognised to the amount for which it is likely that taxable profit will be generated in the future against which the temporary difference can be utilised. Deferred tax assets are recognised for confirmed losses made by Group companies in amounts for which it is likely that the assets can be utilised to offset future taxable profits.

NON-RECURRING ITEMS

Exceptional non-recurring events, 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, are treated as non-recurring items.

1. Segment information EUR 1,000

The Group's operating segments are based on the Group's internal organisational structure and internal financial reporting, which Atria's Board of Directors uses in strategic and operative decision-making. The Board of Directors assesses the performance of the operating segments based on net sales, EBIT and return on capital employed for the year. The Group has four recognisable geographical segments that differ essentially from one another in terms of the functioning of the markets. They are Atria Finland, Atria Scandinavia, Atria Russia and Atria Baltic. In addition, Group costs are now reported separately in unallocated items. Group costs consist of personnel and administration costs as well as other costs that are not allocated to the business areas. A segment's assets and liabilities are items that can be directly attributed or reasonably allocated to the segment. Transactions between the segments take place at market price.

The Group has two major customers, and the value of the trade with each of them forms between 10% and 15% of the Group's net sales. The net sales in question are reported in the operating segments Finland, Russia and Baltic.

Operating segments	Atria Finland	Atria Scandinavia	Atria Russia	Atria Baltic	Unallocated	Eliminations	Group
Accounting period that ended on 31 Dec 2015							
Net sales							
External	912,432	319,781	75,137	32,835			1,340,185
Internal	16,592	10,681		110		-27,383	0
Total net sales	929,024	330,462	75,137	32,945	0	-27,383	1,340,185
EBIT	29,773	12,751	-212	-9,001	-4,366		28,945
Financial income and expenses							-9,233
Share of income from joint ventures and associated companies							425
Income taxes							-5,499
Profit for the period							14,638
Assets	452,133	342,235	59,522	31,121		-29,645	855,366
Liabilities	221,926	211,212	41,962	5,096		-29,645	450,551
Investments	32,969	19,250	2,873	1,837			56,929
Depreciation	29,159	10,947	4,208	2,344			46,658
Impairment				9,061			9,061

Operating segments	Atria Finland	Atria Scandinavia	Atria Russia	Atria Baltic	Unallocated	Eliminations	Group
Accounting period that ended on 31 Dec 2014							
Net sales							
External	932,871	360,028	98,830	34,339			1,426,068
Internal	12,621	11,893		184		-24,698	0
Total net sales	945,492	371,921	98,830	34,523	0	-24,698	1,426,068
EBIT	33,621	14,941	-5,728	-44	-2,220		40,570
Financial income and expenses							-12,689
Share of income from joint ventures and associated companies							6,165
Income taxes							-7,237
Profit for the period							26,809
Assets	467,536	365,000	89,162	40,415		-38,587	923,526
Liabilities	238,337	241,617	67,227	9,320		-38,587	517,914
Investments	47,146	10,277	4,296	931			62,650
Depreciation	27,934	11,314	6,419	2,397			48,064
Impairment	45		2				47

2. Net sales, EUR 1,000

	2015	2014
Sale of goods *)	1,331,618	1,417,844
Other sales	8,567	8,224
Total	1,340,185	1,426,068

*) The decrease in sales was due to the sale of the Falbygdens cheese business and the weakening of the rouble over the comparison period. Additionally, sales were brought down by lower-than-usual sales during the summer season and intense competition.

3. Research and development expenses, EUR 1,000

Research and development costs recognised as expenditure	12,376	13,883

4. Fees paid to auditors, EUR 1,000

PricewaterhouseCoopers Oy, firm of Authorised Public Accountants:		
Auditing fees	355	356
Reports and statements	32	43
Tax consulting	4	12
Other fees	28	13
Total	419	424

5. Other operating income, EUR 1,000

Proceeds from sales of fixed assets *)	3,488	3,201
Grants received	266	288
Other	1,755	3,182
Total	5,509	6,671

*) Atria sold its subsidiary OOO Campoferma in Russia during the financial period. The company owned a farm property near Moscow. The transaction gave rise to costs of EUR 0.6 million. Additionally, translation differences of EUR 2.5 million accrued by the company were transferred to other operational income for recognition through profit and loss.

In 2014, Atria recognised a profit of EUR 0.6 million on the sale of shares in real estate companies in Finland and a profit of EUR 2.2 million on the sale of shares in real estate companies in Russia.

6. Other operating expenses, EUR 1,000

Sales loss from fixed assets *)	9	355
Depreciation and impairment of intangible assets **)	10,841	1,372
Other ***)	-101	2,717
Total	10,749	4,444

*) In 2014, Atria sold industrial real estate located in Lithuania for EUR 0.8 million. The transaction gave rise to a loss of EUR 0.4 million.

**) During the financial period, Atria recognised a goodwill impairment loss of EUR 9.1 million related to Atria Baltic. The challenging market environment in Estonia has weakened profit expectations for Atria Baltic's business.

***) At the end of 2013, Atria launched an efficiency improvement programme in Moscow. As part of the programme, Atria sold its real estate company in Moscow in October 2014. Atria recognised a provision worth EUR 1.8 million in relation to the restructuring, of which EUR 0.7 million remained at the end of 2014. The remainder of the provision was unwound during 2015.

7. Personnel expenses, EUR 1,000

	2015	2014
Expenses from employee benefits:		
Salaries	176,149	189,739
Pension costs - defined-contribution plans	27,786	30,620
Pension costs - defined-benefit plans	50	94
Other staff-related expenses	21,136	21,179
Total	225,121	241,632

Information on employee benefits for managerial employees is presented in note 32.

	2015	2014
Expenses from employee benefits by function:		
Costs of goods sold	174,442	187,190
Sales and marketing expenses	29,678	32,287
Administrative expenses	21,001	22,155
Total	225,121	241,632

	2015	2014
Group personnel on average by business area (FTE):		
Finland	2,214	2,376
Scandinavia	930	1,014
Russia	812	1,004
Baltic	315	321
Total	4,271	4,715

8. Depreciation and impairment, EUR 1,000

Depreciation and impairment by function		
Costs of goods sold	40,137	42,343
Sales and marketing expenses	1,950	1,694
Administrative expenses	2,792	2,584
Other operating expenses	10,841	1,490
Total	55,720	48,111

9. Financial income and expenses, EUR 1,000

Financial income:		
Interest income from loan receivables	2,197	2,004
Exchange rate gains from financial liabilities and loan receivables measured at amortised cost	2,455	1,135
Dividends received from available for sale financial assets	24	76
Other financial income	2	9
Changes in the value of financial assets recognised at fair value through profit or loss		
- Derivative instruments - not in hedge accounting *)	8,022	16,544
Total	12,700	19,768
Financial expenses:		
Interest expenses from financial liabilities measured at amortised cost	-10,322	-13,122
Exchange rate losses from financial liabilities and loan receivables measured at amortised cost	-891	-13,725
Other financial expenses	-1,284	-1,517
Changes in the value of financial assets recognised at fair value through profit or loss		
- Derivative instruments - not in hedge accounting **)	-9,436	-4,093
Total	-21,933	-32,457
Total financial income and expenses	-9,233	-12,689
Items related to financial instruments and recognised in other items of total comprehensive income before taxes:		
Cash flow hedges	217	-375
Available for sale financial assets	-201	25
Translation differences	-5,169	-28,203
Total	-5,153	-28,553

*) Derivative income related to rouble-denominated currency hedges was EUR 6.0 million (EUR 9.8 million).
**) Derivative expenses related to rouble-denominated currency hedges were EUR 5.5 million (EUR 3.1 million).

10. Income taxes, EUR 1,000

	2015	2014
Taxes in the income statement:		
Tax based on the taxable profit for the period	5,985	5,315
Retained taxes	-29	0
Deferred tax	-457	1,922
Total	5,499	7,237
Balancing of taxes in income statement and profit before taxes:		
Profit before taxes	20,137	34,046
Taxes calculated with the parent company's 20.0% tax rate	4,027	6,809
Effect of foreign subsidiaries' deviating tax rates	2,018	3,051
Retained taxes	-23	27
Effect of income from joint ventures/associates	-85	-1,233
Effect of tax-free income	-6,234	-3,037
Effect of costs that are non-deductible in taxation	5,925	1,827
Unrecognised deferred tax assets	44	55
Changes in tax rate	-169	-306
Other changes	-4	44
Total	5,499	7,237

Taxes recognised in other items of total comprehensive income	Before tax	Tax effects	After tax
2015:			
Cash flow hedges	217	-38	179
Available for sale financial assets	-201	40	-161
Actuarial gains from pension obligations	501	-110	391
Translation differences	-5,169	588	-4,581
Total	-4,652	480	-4,172
2014:			
Cash flow hedges	-375	71	-304
Available for sale financial assets	25	-5	20
Actuarial losses from pension obligations	-1,065	234	-831
Translation differences	-28,203	3,156	-25,047
Total	-29,618	3,456	-26,162

11. Earnings per share, EUR 1,000

Basic earnings per share are calculated by dividing the parent company's shareholder's profit for the period by the weighted average number of outstanding shares.

	2015	2014
Profit (+)/loss (-) for the accounting period attributable to the owners of the parent company	13,794	26,182
Weighted average of shares for the period (1000 pcs)	28,156	28,156
Basic earnings per share	0,49	0,93

When calculating the earnings per share adjusted by the dilution effect, the dilution effect from all potential dilutive conversions of ordinary shares is taken into account in the weighted average number of shares.

12. Property, plant and equipment, EUR 1,000

	Land and water	Buildings and structures	Machinery and equipment	Other tangible assets	Acquisitions in progress	Total
Acquisition cost, 1 Jan 2015	9,986	449,926	564,322	6,705	9,415	1,040,354
Increases	80	4,529	26,287	2,183	34,844	67,923
Decreases	-137	-193	-3,907	-3	-18,442	-22,682
Exchange differences	-277	-2,173	886	-401	-495	-2,460
Acquisition cost, 31 Dec 2015	9,652	452,089	587,588	8,484	25,322	1,083,135
Accumulated depreciation and impairment, 1 Jan 2015		-206,690	-440,120	-2,794	-11	-649,615
Decreases		156	4,024	3		4,183
Depreciation		-11,604	-30,560	-934		-43,098
Exchange differences		157	-277	235		115
Accumulated depreciation and impairment, 31 Dec 2015		-217,981	-466,933	-3,490	-11	-688,415
Book value, 1 Jan 2015	9,986	243,236	124,202	3,911	9,404	390,739
Book value, 31 Dec 2015	9,652	234,108	120,655	4,994	25,311	394,720

	Land and water	Buildings and structures	Machinery and equipment	Other tangible assets	Acquisitions in progress	Total
Acquisition cost, 1 Jan 2014	12,129	479,614	573,296	7,422	12,902	1,085,363
Business combinations	21	5,132	1,202	11	102	6,468
Increases		6,521	29,543	1,016	13,007	50,087
Decreases		-20,277	-11,446	-4	-16,989	-48,716
Transferred to assets classified as held for sale		-1,879	-4,578			-6,457
Exchange differences	-2,164	-19,185	-23,695	-1,740	393	-46,391
Acquisition cost, 31 Dec 2014	9,986	449,926	564,322	6,705	9,415	1,040,354
Accumulated depreciation and impairment, 1 Jan 2014		-208,315	-441,081	-2,430	-11	-651,837
Business combinations		-50	-67	-2		-119
Decreases		9,108	12,314	4		21,426
Transferred to assets classified as held for sale		945	2,475			3,420
Depreciation		-12,066	-32,037	-948		-45,051
Impairment			-2			-2
Exchange differences		3,688	18,278	582		22,548
Accumulated depreciation and impairment, 31 Dec 2014		-206,690	-440,120	-2,794	-11	-649,615
Book value, 1 Jan 2014	12,129	271,299	132,215	4,992	12,891	433,526
Book value, 31 Dec 2014	9,986	243,236	124,202	3,911	9,404	390,739

Assets acquired under financial leasing contracts are included in machinery and equipment. The acquisition cost recognised on the basis of the financial leasing contracts was EUR 1.5 million (EUR 1.7 million) and accumulated depreciation was EUR 0.4 million (EUR 0.9 million). The book value of assets was EUR 1.1 million (EUR 0.8 million).

The tangible assets used as loan collateral amount to EUR 10.4 million (EUR 10.8 million).

13. Biological assets, EUR 1,000

	2015	2014
Biological assets:		
Productive	702	738
Consumable	3,076	3,167
At the end of the period	3,778	3,905
Amounts of biological assets at the end of the period:		
Boars, sows, gilts / qty	4,484	4,494
Pigs for fattening / qty	30,903	29,471
Chicken eggs and chicks / qty	2,608,740	2,567,820
Production of agricultural products during the period:		
Pork / 1,000kg	5,979	5,909
Chicks / 1,000qty	28,168	26,303

The fair value of productive biological assets is based on the original acquisition price less a cost corresponding to the reduction of value in use due to the aging of the animals. The fair value of slaughter animals equals their market price, which is based on the company's slaughter animal procurement/sales in the local market.

14. Goodwill and other intangible assets, EUR 1,000

Intangible assets	Goodwill	Trademarks	Customer relationships	Other intangible assets	Total
Acquisition cost, 1 Jan 2015	182,104	65,931	10,056	26,682	284,773
Increases	1,170	3,725		2,810	7,705
Decreases	-12,061			-59	-12,120
Exchange differences	2,253	565		-47	2,771
Acquisition cost, 31 Dec 2015	173,466	70,221	10,056	29,386	283,129
Accumulated depreciation and impairment, 1 Jan 2015	-18,503	-4,932	-1,758	-20,142	-45,335
Depreciation on decreases	12,061				12,061
Depreciation		-392	-1,271	-1,897	-3,560
Impairment	-9,061				-9,061
Exchange differences	-55	-72		45	-82
Accumulated depreciation, 31 Dec 2015	-15,558	-5,396	-3,029	-21,994	-45,977
Book value, 1 Jan 2015	163,601	60,999	8,298	6,540	239,438
Book value, 31 Dec 2015	157,908	64,825	7,027	7,392	237,152

Intangible assets	Goodwill	Trademarks	Customer relationships	Other intangible assets	Total
Acquisition cost, 1 Jan 2014	183,428	76,029	1,079	25,214	285,750
Business combinations	11,470	859	8,977	79	21,385
Increases				2,010	2,010
Decreases				-162	-162
Transferred to assets classified as held for sale	-6,093	-5,642			-11,735
Exchange differences	-6,701	-5,315		-459	-12,475
Acquisition cost, 31 Dec 2014	182,104	65,931	10,056	26,682	284,773

Intangible assets	Goodwill	Trademarks	Customer relationships	Other intangible assets	Total
Accumulated depreciation and impairment, 1 Jan 2014	-18,672	-5,631	-788	-18,923	-44,014
Depreciation on decreases				158	158
Depreciation		-277	-970	-1,766	-3,013
Impairment				-45	-45
Exchange differences	169	976		434	1,579
Accumulated depreciation, 31 Dec 2014	-18,503	-4,932	-1,758	-20,142	-45,335
Book value, 1 Jan 2014	164,756	70,398	291	6,291	241,736
Book value, 31 Dec 2014	163,601	60,999	8,298	6,540	239,438

Goodwill and intangible assets with indefinite useful lives are allocated to the Group's cash-generating units as follows:

	Goodwill		Trademarks	
	2015	2014	2015	2014
Atria Finland	16,271	16,271	2,500	2,500
Atria Scandinavia	141,637	138,269	51,598	50,799
Atria Russia			2,655	2,961
Atria Estonia		9,061	2,857	2,857
Total	157,908	163,601	59,610	59,117

Impairment testing:

The recoverable amount of a cash-generating unit is defined on the basis of value-in-use calculations. These calculations, which use cash flow forecasts based on management-approved budgets and strategic targets, are defined before taxes and extend over a five-year period. Cash flows after this period are extrapolated using the growth rates presented below. The growth rate used does not exceed the average long-term growth rate of the industry in which the unit that generates the cash flow operates.

Key assumptions for 2015	Atria Finland	Atria Scandinavia	Atria Russia brand	Atria Estonia
Long-term net sales growth rate	1.0 %	1.0 %	2.5 %	1.0 %
Discount rate defined before taxes	4.4 %	4.7 %	18.4 %	7.1 %

Key assumptions for 2014	Atria Finland	Atria Scandinavia	Atria Russia brand	Atria Estonia
Long-term net sales growth rate	1.0 %	1.0 %	2.5 %	1.0 %
Discount rate defined before taxes	4.5 %	4.7 %	15.3 %	5.3 %

The most important assumptions used in Atria's impairment testing for cash flow forecasts are growth in net sales and long-term EBIT margin. The growth and profitability assumptions used are based on the profitability levels and growth rate in net sales that the companies in Finland, Scandinavia and Estonia will experience in the near future. EBIT margins are expected to be close to the Group's targeted level of 5%.

Growth rate assumptions are moderate in all market areas. The higher growth projection in Russia is due to its higher inflation rate, higher market growth expectations and the relatively high growth projection for meat consumption. Due to the relatively stable development of the food industry and moderately optimistic growth forecasts, it is unlikely that the growth rate assumptions will generate impairment losses in the future.

The challenging market environment in Estonia has weakened profit expectations for Atria Baltic's business. Prolonged oversupply in the international meat market and fierce price competition in the retail market have brought down meat prices. Additionally, profitability was weakened by measures taken to prevent the spread of African swine fever. As a result of this, a goodwill impairment loss of EUR 9.1 million was recorded for Atria Baltic. Impairments have been included in the income statement under "Other operating expenses". Write-downs had no effect on cash flow.

As regards EBIT margins, impairment losses must be recognised in Finland if the long-term level remains below approximately 80% of the assumed level. In Scandinavia, the EBIT percentage should be approximately 49% below the assumption before the need for impairment arises.

Discount rates would give rise to impairment losses (all cash flow forecasts being equal) if they increased by 8.1 percentage points in Finland and by 2.8 percentage points in Scandinavia. Clearly higher discount rates would mean that the market situation has changed and that the change could also affect Atria's cash flows. Therefore, the aforementioned increases in discount rates do not directly mean that there would be a need for impairment.

In the financial statements, a separate test was conducted on a brand with an indefinite useful life for Atria Russia. Due to the difficult market situation in Russia, the risk of write-downs on brand value has increased. An increase of one percentage point in the discount rate (all cash flow forecasts being equal) would give rise to impairment losses of EUR 0.2 million on the value of the brand.

15. Investments in joint ventures and associates, EUR 1,000

	2015	2014
Effect on the Group's earnings:		
Associates	25	274
Joint ventures	400	5,891
Total	425	6,165
Book values in the consolidated statement of financial position:		
Associates	3,412	3,390
Joint ventures	9,651	9,828
Total	13,063	13,217

Material investment in a joint venture

Honkajoki Oy is a recycling facility for animal-based raw materials located in Honkajoki, Finland. The company has a subsidiary named Findest Protein Oy. Atria Plc owns 50% of the company and exercises joint control in it with HKScan Finland. Honkajoki Group's figures, which are reported according to the Finnish Accounting Standards (FAS), have been consolidated using the equity method.

	2015	2014
Summary of Honkajoki Group's results:		
Net sales	28,689	32,337
EBIT	1,033	4,654
Profit before taxes	997	4,335
Profit/loss for the accounting period	720	3,422
Summary of Honkajoki Group's balance sheet:		
Assets		
Non-current assets	18,162	20,107
Current assets	13,012	12,375
Total assets	31,174	32,482
Liabilities		
Non-current liabilities	8,151	9,538
Current liabilities	5,433	5,221
Total liabilities	13,584	14,758
Net assets	17,590	17,724
Balancing of the summary of financial information for Honkajoki Group:		
Profit/loss for the accounting period	720	3,422
Share of non-controlling interest	42	54
Income from joint venture (50%)	381	1,738
Net assets, 1 Jan	17,724	16,282
Profit/loss for the accounting period	720	3,422
Other changes	298	
Dividend distribution	-1,152	-1,980
Net assets at the end of the accounting period	17,590	17,724
Share of non-controlling interest	339	381
Share of joint venture (50%)	8,626	8,671

Non-material investments in joint ventures

	2015	2014
Book value in the consolidated statement of financial position	1,026	1,156
Effect on earnings in the consolidated income statement	-130	4,153

Non-material investments in associates

	2015	2014
Book value in the consolidated statement of financial position	3,412	3,390
Effect on earnings in the consolidated income statement	25	274

The joint ventures and associates are listed in Note 35.

16. Other financial assets, EUR 1,000

	2015	2014
Other financial assets include available for sale financial assets:		
Available for sale financial assets, 1 Jan	1,312	2,189
Increases	30	27
Decreases	-239	-904
Available for sale financial assets, 31 Dec	1,103	1,312
Available for sale financial assets include the following euro-denominated items:		
Listed securities		241
Unlisted securities	1,103	1,071
Total	1,103	1,312

17. Trade receivables, loan receivables and other receivables, EUR 1,000

	Balance sheet values 2015	Balance sheet values 2014
Trade receivables from producers	2,716	2,606
Loan receivables	7,567	7,734
Other receivables	946	928
Derivative instruments - in hedge accounting		2
Derivative instruments - not in hedge accounting		1
Accrued credits and deferred charges		1
Total	11,229	11,272

Fair values do not deviate significantly from balance sheet values.

Non-current receivables were divided into currencies as follows:		
EUR	10,348	10,397
SEK	871	863
Other	10	12
Total	11,229	11,272

The "trade receivables from producers" account includes feed and animal trading receivables from animal payments that fall due in more than 12 months. The credit risk of these receivables is explained in Note 20.

No impairment has been recognised for loans and other receivables. The maximum credit risk for loans and other receivables is equivalent to their book value.

18. Deferred tax assets and liabilities, EUR 1,000

	2015	2014
Deferred tax assets:		
Tax asset to be realised in more than 12 months	6,339	5,298
Tax asset to be realised within 12 months	699	762
Total	7,038	6,060
Deferred tax liabilities:		
Tax liability to be realised in more than 12 months	45,286	43,785
Tax liability to be realised within 12 months	19	15
Total	45,305	43,800
Deferred tax assets by balance sheet item:		
Intangible and tangible assets	762	804
Inventories	0	50
Trade and other receivables	827	767
Interest-bearing and non-interest-bearing liabilities	2,315	2,414
Recognised losses	3,134	2,025
Total	7,038	6,060
Deferred tax liabilities by balance sheet item:		
Intangible and tangible assets	45,126	43,471
Financial assets	0	40
Inventories	70	142
Interest-bearing and non-interest-bearing liabilities	109	147
Total	45,305	43,800
Change in deferred taxes:		
Recognised in the income statement	457	-1,922
Recognised in other items of total comprehensive income	480	3,406
Recognised in equity	0	140
Increases from acquired businesses	-838	-315
Exchange differences	-626	758
Total	-527	2,067

Deferred tax assets for unused tax losses are recognised to the amount for which it is likely that tax benefits will be obtained on the basis of taxable profit.

Deferred tax assets recognised from confirmed losses expire as follows:

2020	641
2021	425
2024	1,052
2025	1,016
Total	3,134

19. Inventories, EUR 1,000

Materials and supplies	40,227	41,950
Unfinished products	1,786	1,382
Finished products	36,277	47,166
Other inventories	2,506	2,439
Total	80,796	92,937

During the accounting period, EUR 0.5 million (EUR 0.5 million) was recognised as an expense to lower the book value of the inventories to a value comparable with the net realisable value.

20. Current trade receivables and other receivables, EUR 1,000

	2015	2014
Trade receivables	64,713	71,178
Trade receivables from producers	16,393	15,577
Loan receivables	3,378	3,084
Other receivables	8,668	14,620
Derivative instruments - in hedge accounting	16	27
Derivative instruments - not in hedge accounting	976	5,214
Accrued credits and deferred charges	7,323	7,044
Total	101,467	116,744

Fair values do not deviate significantly from balance sheet values.

At Atria Group, the credit risk related to trade receivables is considered small in proportion to the scope of the operations. The Group's trade receivables are dispersed over several market areas and numerous customers. Credit loss risk is managed with credit insurance, bank guarantees and other guarantees, as well as advance invoicing. A separate credit policy has been prepared for each business area taking the specific features of the market into account. For major customers and customer groups, credit risk is examined and monitored on a case-by-case basis.

Material items in accrued credits and deferred charges consist of prepaid expenses of purchase invoices, lease receivables and tax amortisations.

Breakdown of trade receivables and items booked as credit losses		2015	Credit losses	Net 2015
Not due		57,321		57,321
Overdue	Less than 30 days	16,020		16,020
	30–60 days	2,994	-105	2,889
	61–90 days	389	-1	388
	More than 90 days	5,289	-801	4,488
Total		82,013	-907	81,106

Breakdown of trade receivables and items booked as credit losses		2014	Credit losses	Net 2014
Not due		69,614		69,614
Overdue	Less than 30 days	12,608		12,608
	30–60 days	1,753	-28	1,725
	61–90 days	984	-194	790
	More than 90 days	2,334	-316	2,018
Total		87,293	-538	86,755

Current receivables were divided between currencies as follows	2015	2014
EUR	63,501	70,919
SEK	11,479	17,555
RUB	10,112	15,635
DKK	10,494	7,204
USD	2,339	2,513
NOK	1,808	1,033
Other	1,734	1,885
Total	101,467	116,744

21. Cash and cash equivalents, EUR 1,000

	2015	2014
Cash in hand and at banks	4,140	3,384

22. Assets classified as held for sale, EUR 1,000

2015

During the financial period, Atria sold assets classified as held for sale.

The assets and liabilities associated with the Falbygdens cheese business were sold in April. The sale had no impact on the company's results.

A piggery property owned by Atria's subsidiary in Russia was sold in June. Costs of EUR 0.6 million were recognised for the sale. Additionally, translation differences of EUR 2.5 million accrued by the company have been transferred from equity to other operational income through profit and loss.

2014	Atria Scandinavia	Atria Russia	Total
Assets held for sale			
Tangible assets	3,037	3,709	6,746
Intangible assets	11,735		11,735
Inventories and current receivables	22,099		22,099
Total	36,871	3,709	40,580
Liabilities associated with assets held for sale			
Deferred tax liabilities	1,241		1,241
Current trade and other payables	5,867		5,867
Total	7,108	0	7,108

In May 2014, Atria sold a factory located in Lithuania for EUR 0.8 million. The deal resulted in a sales loss of EUR 0.4 million, which is included in Atria Baltic's other operating expenses.

In September 2014, Atria decided to sell the Falbygdens cheese business in Sweden. The EUR 14.8 million non-current assets and EUR 22.1 million current assets associated with the operations have been classified as assets available for sale. The liabilities associated with the operations total EUR 7.1 million.

Assets available for sale in 2014 also included a pig farm in Russia that had been classified as available for sale in 2013.

23. Shareholders' equity, EUR 1,000

Shares and share capital

Shares are divided into A and KII series, which differ in terms of voting rights. Holders of series A shares have one vote per share and holders of series KII shares have ten votes per share. Holders of series A shares are entitled to a dividend of EUR 0.17, after which holders of series KII shares are paid a dividend of up to EUR 0.17. If dividend funds remain after this, series A and series KII shares entitle their holders to an equal right to a dividend. All issued shares have been paid in full. The shares have no nominal value or maximum number.

Number of shares outstanding (1,000)	A series	KII series	Total
1 Jan 2014	18,952	9,204	28,156
No changes in the accounting period			
31 Dec 2014	18,952	9,204	28,156
No changes in the accounting period			
31 Dec 15	18,952	9,204	28,156

Reserves included in shareholders' equity:

Share premium

The portion of share subscription payments recognised in share premium in compliance with the conditions of plans prior to the new Companies Act (624/2006) taking effect.

Treasury shares

The treasury shares reserve contains the acquisition cost of own shares held by the Group. In 2008 and 2009, the Group's parent company, Atria Plc, acquired 145,102 series A shares on the stock exchange for an acquisition cost of EUR 1.3 million. In 2008, 35,260 of the acquired shares and, in 2010, 3,280 shares were transferred to key persons as a part of the Group's share incentive plan. At the end of the year, the parent company held a total of 111,312 (111,312) treasury shares.

Other funds	2015	2014
Fair value reserve	0	161
Hedging fund		
Effective portion of commodity derivatives	-2,101	-1,341
Effective portion of interest rate derivatives	-3,388	-4,365
Deferred tax	1,102	1,139
Total	-4,387	-4,567
Total other funds	-4,387	-4,406

The other funds item includes the fair value reserve and hedging fund. Changes in the fair value of available for sale financial assets are recognised in the fair value reserve, while the effective portions of changes in the fair value of the derivative financial instruments used for hedging are recognised in the hedging fund. Hedge accounting results for commodity derivatives are transferred from equity to the income statement for adjustment of purchase expenses and, correspondingly, the hedging result for interest rate derivatives is transferred for adjustment of interest expenses.

Invested unrestricted equity fund

This reserve contains other equity investments and the share subscription price to the extent that it is not recognised in share capital according to a separate decision, as well as the value of shares earned before 2012 on the basis of the share incentive plan, calculated at the share price on the grant date.

Translation differences

The following are recognised: the translation differences from the translation of the financial statements of foreign subsidiaries, as well as the translation of fair value adjustments of goodwill, assets and liabilities arising in conjunction with the acquisition of the said companies. Profits and losses arisen from hedges of net investments in foreign operations are also recognised as translation differences when the hedge accounting criteria are met.

Parent company's distributable shareholders' equity	2015	2014
Invested unrestricted equity fund	110,228	110,228
Retained earnings	58,785	58,500
Treasury shares	-1,277	-1,277
Profit for the period	14,937	11,547
Total	182,672	178,997

Dividend per share paid for the period	2015	2014
Dividend/share, EUR	0.40	0.22
Dividend distributed by the parent company	11,263	6,194

The Board of Directors proposes to the Annual General Meeting to be held on 28 April 2016 that the company pay a dividend of EUR 0.40 per share, totalling EUR 11,262,566.40.

24. Interest-bearing financial liabilities, EUR 1,000

	2015	2014
	Balance sheet values	Balance sheet values
Non-current:		
Bonds	50,000	50,000
Loans from financial institutions	84,805	126,681
Pension fund loans	20,150	25,450
Other liabilities		9
Finance lease obligations	671	418
Total	155,626	202,558
Current:		
Loans from financial institutions	2,593	2,677
Commercial papers	34,000	35,000
Pension fund loans	5,300	8,157
Other liabilities	1,677	5,318
Finance lease obligations	434	387
Total	44,004	51,539
Total interest-bearing liabilities	199,630	254,097

The fair values of interest-bearing loans do not deviate significantly from balance sheet values.

	2015	2014
With fixed interest rates	56.6 %	45.7 %
With variable interest rates	43.4 %	54.3 %
Average interest rate	2.66%	3.26%
Non-current liabilities mature as follows:		
2016		8,370
2017	7,359	76,084
2018	105,443	105,443
2019	3,693	3,693
2020	2,143	2,143
Later	36,988	6,824
Total	155,626	202,558
Interest-bearing liabilities are divided into currencies as follows:		
EUR	94,387	111,842
SEK	80,284	115,052
DKK	15,137	11,725
RUB	9,822	15,478
Total	199,630	254,097

Finance lease obligations

	2015	2014
Total amount of minimum lease payments:		
In less than a year	434	473
Between one and five years	763	427
After more than five years		
Total	1,197	900
Present value of minimum lease payments:		
In less than a year	434	387
Between one and five years	671	418
After more than five years		
Total	1,105	805
Future interest accumulation	92	95
Total	1,197	900

25. Other non-current liabilities, EUR 1,000

	2015	2014
Other liabilities	4	3
Derivative instruments - in hedge accounting	4,915	5,334
Derivative instruments - not in hedge accounting	685	352
Accruals and deferred income	270	8
Total	5,874	5,697

Other non-current liabilities are in euro currency.

26. Pension obligations, EUR 1,000

	2015	2014
The benefit-based pension liability in the balance sheet is determined as follows:		
Present value of funded obligations	7,425	7,689
Fair value of assets	0	0
Deficit (+) / Surplus (-)	7,425	7,689
Pension liability in the balance sheet	7,425	7,689
The benefit-based pension cost is determined as follows:		
Costs based on services in the period	71	60
Benefits paid	-220	-235
Interest expenses	199	269
Pension costs in the profit and loss account	50	94
Actuarial gains (+)/losses (-)	-501	1,065
Pension costs in total comprehensive income	-501	1,065
Changes to liabilities in the balance sheet:		
Liability of the ITP2 pension arrangement at the beginning of the accounting period	7,689	6,926
Pension costs in the profit and loss account and total comprehensive income	-451	1,159
Exchange differences	187	-396
At the end of the period	7,425	7,689
Actuarial assumptions used (%):		
Discount rate	2.90	2.60
Inflation rate	1.50	1.50

The Group's Swedish companies have defined-benefit pension arrangements (ITP2). Most of the ITP2 pension arrangements are provided by the occupational pension insurance company Alecta as multiple-employer arrangements, so the funds and liabilities within them cannot be allocated to an individual company. For this reason, the ITP2 pension arrangements managed by Alecta are treated as defined contribution plans in the financial statements. The remaining ITP2 pension arrangements are financed through the FPG/PRI system, and they are treated as defined benefit plans as of the 2011 accounting period.

27. Provisions, EUR 1,000

	2015	2014
Restructurings		
At the beginning of the period	712	
Atria Russia: restructuring of operations	-712	
Total	0	

In late 2013, Atria launched an efficiency improvement programme in Moscow and decided to discontinue industrial production and the operation of the logistics unit. As part of the efficiency improvement programme, Atria sold a real estate company in Moscow in 2014. Industrial operations were transferred from Moscow to St Petersburg in spring 2015. Atria recognised a restructuring provision in 2014 related to the reorganisation of operations. The provision was used in full in 2015.

28. Current trade and other payables, EUR 1,000

Trade payables	94,190	100,500
Advances received	1,486	2,164
Other liabilities	44,455	43,820
Derivative instruments - in hedge accounting	557	411
Derivative instruments - not in hedge accounting	2,783	1,875
Accruals and deferred income	48,606	50,035
Total	192,077	198,805

Material items in accrued liabilities consist of personnel expenses and the amortisation of debt interests.

Current liabilities consist of the following currencies:

EUR	129,744	138,865
SEK	46,566	43,885
RUB	5,674	8,293
DKK	8,269	5,792
USD	448	782
Other	1,376	1,188
Total	192,077	198,805

29. Financial risk management

The Treasury policy approved by the Board of Directors defines the general principles of financial risk management. The Board has delegated the management of financial risks to the Treasury Committee, while the practical management of financial risks is centrally handled by the Group's Treasury unit. The goal of financial risk management is to reduce the effect that price fluctuations on the financial markets and other uncertainty factors have on earnings, the balance sheet and cash flow, as well as to ensure sufficient liquidity. Treasury, together with the business areas, aims to identify, assess and hedge against all risks in accordance with the treasury policy. The main risks related to financing are interest rate risk, currency risk, liquidity and refinancing risk and credit risk. Commodity risks and capital structure management are also discussed at the end of this section.

Interest rate risk

Interest rate risk is managed by dividing financing into instruments with floating and fixed interest rates and by hedging with interest rate derivatives. During the accounting period, the Group used interest rate swaps in interest rate risk management. The Group links interest rate risk management to the interest cover indicator that is forecasted 12-month rolling EBITDA divided by forecasted net interest expenses. The lower the EBITDA is in relation to net financing costs, the larger is the share of debt that must have a fixed interest rate. The Group's interest-bearing debt at the balance sheet date was EUR 199.6 million (EUR 254.1 million), of which EUR 112.9 million (EUR 116.1 million) or 56.6% (45.7%) had fixed interest rates. The ratio of debt with fixed and floating interest rates is at the level defined by the Group's treasury policy.

The interest rate risk is mainly directed at the Group's interest-bearing liabilities because the amount of money market investments and related interest rate risk is low. The Group's operational cash flow is to a large extent independent of fluctuations in interest rates. At the time of the financial statements, Atria Plc had three interest rate swaps subject to hedge accounting.

1. An interest rate swap amounting to EUR 30 million commencing on 23 June 2016 where Atria pays a fixed interest rate of 0.897% and receives the six-month Euribor rate. The company will use the interest rate swap to hedge a EUR 30 million loan with a floating interest rate that matures on 23 June 2022.
2. An interest rate swap amounting to EUR 25 million where Atria pays a fixed interest rate of 2.408% and receives the 6-month Euribor rate. The company uses the interest rate swap to hedge a EUR 25 million loan with a floating interest rate that matures on 30 April 2018.
3. An interest rate swap amounting to EUR 25 million where Atria pays a fixed interest rate of 2.355% and receives the 6-month Euribor rate. The company uses the interest rate swap to hedge a EUR 25 million loan with a floating interest rate that matures on 30 April 2018.

The sensitivity analysis of net interest rate expenses is based on a change of one percentage point in interest rates, which is considered to be reasonably realistic. It is calculated for year-end interest-bearing, variable-rate net liabilities that are expected to remain the same over the accounting period. The interest rate swaps are taken into account in the calculation. In simulations, the same change in interest rate is used for all currencies. On 31 December 2015, net variable-rate liabilities amounted to EUR 82.5 million (EUR 134.6 million). At the end of 2015, an increase of one percentage point in interest rates corresponded to a change of EUR +/-0.8 million in the Group's annual interest rate expenses (EUR +/-1.3 million). The effect on equity would correspond EUR 2.8 million (EUR 1.8 million) with a +1% change and EUR -2.9 million (EUR -1.9 million) with a -1% change.

Currency risk

Atria Group operates in many currency zones and is exposed to currency-related risks. Currency risks arise from forecasted transactions, assets and liabilities booked into the balance sheet and net investments in the operations of foreign subsidiaries. The subsidiaries hedge the currency risk related to commercial, operational items according to their currency risk policy for each business area. Each currency risk policy has been approved by the Treasury Committee. The commercial, operative rouble risk at Atria Russia has not been hedged due to high hedging costs. However, efforts are made to pass on the increase in costs caused by rouble exchange rate changes to sales prices as soon as possible.

In Finland and Sweden, hedge accounting is applied to the aforementioned currency hedges. Currency risk is monitored according to the 12-month rolling cash flow forecast, and hedges are carried out for periods of 1 to 6 months using forward exchange agreements. The cash flows hedged during this time are expected to occur and affect profit or loss. Among other things, transaction risks come from the euro-denominated meat raw material imports of Atria's companies in Sweden as well as from Atria Russia's USD-denominated meat raw material imports and euro-denominated purchases of goods other than meat. In Atria's Finnish operations, currency flows and risks are relatively low and are mainly related to USD- and SEK-denominated exports.

The Group has net investments in the operations of foreign subsidiaries that are exposed to currency risks. The Treasury Committee decides on net investment hedges on a case-by-case basis. At the time of the financial statements, there were no derivative agreements in force for net investment hedging. The parent company grants financing to the subsidiaries in their home currencies and has hedged the currency-denominated loan receivables from the subsidiaries through currency loans and forward exchange agreements.

During the accounting period, translation differences recognised in the consolidated statement of comprehensive income amounted to EUR -4.6 million (EUR -25.0 million). At the end of the year, the amount of net investments exposed to fluctuations of the rouble was EUR 40.0 million (EUR 47.6 million).

If, at the end of the accounting period, the euro had been 10% weaker/stronger than the Swedish krona (all other factors being equal), profit before taxes would have been EUR 0.5 million higher/lower due to the Swedish subsidiaries' euro-denominated accounts payable (EUR 0.6 million). The effect on equity would have been EUR 0.6 million (EUR 0.5 million). Sensitivity analyses also take into account the effects of currency derivatives, which offset the effects of changes in exchange rates.

If, at the end of the accounting period, the euro had been 20% weaker/stronger than the Russian rouble (all other factors being equal), profit before taxes would have been EUR 0.0 million higher/lower due to the Russian subsidiary's euro-denominated accounts payable (EUR 0.3 million). The effect on equity would have been EUR 0.0 million (EUR 0.0 million).

Liquidity and refinancing risk

Atria Plc's Treasury raises the majority of the Group's interest-bearing debt. Liquidity and refinancing risks are managed through a balanced loan maturity structure and by having sufficient committed credit facilities with sufficiently long maturities, by using many financial institutions and instruments to raise finance and by keeping a sufficient amount of cash funds. Atria uses commercial papers for short-term financing and liquidity management. There was EUR 125.0 million (EUR 110.6 million) unutilised committed credit facilities at the end of the year, and EUR 166.0 million (EUR 165.0 million) of the EUR 200 million commercial paper programme had not been used at the end of the accounting period. The average maturity of the Group's loans and committed credit facility was 3 years 1 month (3 years 0 months).

The main covenant used in loan agreements is a minimum equity ratio covenant of 30%. The Group's equity ratio has been approx. 40% for many years, and the Group will continue to ensure an equity ratio higher than the level required by the covenant. According to the terms of loan agreements, the implementation of covenants is reported to financiers either quarterly or semi-annually.

According to the Group management's view, there was no significant liquidity accumulation in financial assets or financial sources.

The table below shows the maturity analysis for financial liabilities and derivative instruments (undiscounted figures). The capital payments and income of derivative liabilities and assets are related to forward exchange agreements, and interest payments to interest rate swaps.

Maturity analysis for financial obligations

		Maturity, 31 Dec 2015			
EUR 1,000		< 1 years	1–5 years	> 5 years	Total
Loans	Instalments	43,570	120,114	34,841	198,525
	Interest payments	3,935	8,720	482	13,137
Finance lease obligations	Instalments	434	671		1,105
Derivative liabilities and assets *)	Capital payments	138,802			138,802
	Capital income	-139,011			-139,011
	Interest payments	1,351	3,171	136	4,658
	Interest income	-10	-72	-7	-88
Other payables	Instalments	7,400			7,400
Trade payables	Payments	94,190			94,190
Accruals and deferred income	Payments	48,606			48,606
Total	Total payments	338,287	132,676	35,459	506,423
	Total income	-139,021	-72	-7	-139,099
	Net payments	199,267	132,605	35,452	367,324

		Maturity, 31 Dec 2014			
EUR 1,000		< 1 years	1–5 years	> 5 years	Total
Loans	Instalments	51,150	195,318	6,824	253,292
	Interest payments	4,616	12,341	248	17,205
Finance lease obligations	Instalments	387	418		805
Derivative liabilities and assets *)	Capital payments	152,934			152,934
	Capital income	-149,193			-149,193
	Interest payments	2,219	3,020		5,239
	Interest income	-202	-238		-440
Other payables	Instalments	7,211			7,211
Trade payables	Payments	100,500			100,500
Accruals and deferred income	Payments	50,034	8		50,042
Total	Total payments	369,051	211,105	7,072	587,228
	Total income	-149,395	-238	0	-149,633
	Net payments	219,656	210,867	7,072	437,595

*) There is an agreement on the offsetting right with all derivative counterparties. The figures for derivative liabilities and assets presented in the table are gross amounts. If the figures were offset, derivative liabilities would amount to EUR 4.4 million (EUR 8.5 million).

Credit risk

Credit risk is managed at Group level in accordance with the Group's risk management policy approved by the Board of Directors. The credit risk related to financing (counterparty risk) is managed by selecting only well-established highly rated counterparties with good credit ratings as counterparties. The Group's liquid assets are only invested with counterparties that meet the above-mentioned criteria. This is also the procedure when entering into financing and derivative agreements. The credit risk related to derivatives is also decreased by the fact that all payments made in relation to derivatives are net payments. Atria has only made derivatives with banks that are among Atria's main lenders.

The credit risk of the Group's operative business is related to our customers, of which the main ones are large retail chains. Part of the Group's trade receivables are related to feed and animal trading in primary production. The credit risk related to this is higher, but also more dispersed. The Group's trade receivables are also dispersed over several market areas and many customers.

Credit loss risk is managed with securities, such as credit insurances and bank guarantees as well as with advance invoicing. Each business area has been assigned a separate credit policy that takes the special features of the market area into account. Credit risk is examined and monitored on a case-by-case basis for major customers and customer groups. The breakdown of trade receivables is illustrated in Note 20.

Commodity risk

The Group is exposed to commodity risks, the most significant of which are meat raw material and electricity. Fluctuations in the price of meat raw material affect profitability in the short term, but efforts are made to pass on the price increases to sales prices as soon as possible.

Fluctuations in the price of electricity are hedged with forward electricity agreements according to the Group's electricity procurement policy. The hedging levels in the policy are shown in the table below.

Period	Hedging level minimum	Hedging level maximum
1–12 months	70%	100%
13–24 months	40%	80%
25–36 months	0%	50%
37–48 months	0%	40%
49–60 months	0%	30%

Hedge accounting in accordance with IFRS is applied to electricity hedges. The effective portion of changes in the value of derivatives, amounting to EUR -2.0 million (EUR -1.3 million), has been recognised under equity, and the ineffective portion, amounting to EUR -1.0 million (EUR +0.4 million), has been recognised in the income statement.

If the market price of electricity derivatives changed by +/-10% from the level on 31 December 2015, the effect on equity would be EUR +/-0.7 million (EUR +/-1.3 million), on the assumption that all hedges are 100% effective.

Capital structure management

In capital structure management, the Group aims to ensure normal operating conditions under all circumstances and to maintain an optimal capital structure in terms of capital costs.

The Group monitors the development of its capital structure primarily through the equity ratio, for which the Group has set a target level of 40%. Based on this equity ratio, the company estimates that the availability and total cost of new capital are optimal.

The equity ratio is affected by balance sheet total and equity. The company is able to affect the balance sheet total and, thereby, the capital structure through the management of working capital, the amount of investments and the sale of business operations or assets. Correspondingly, the company can affect the amount of its own equity through dividend distribution and share issues.

In the assessment of investments and divestments, the Group uses the Group's weighted average cost of capital (WACC) as reference. The Group thereby tries to ensure that its assets generate at least an amount corresponding to the average cost of its capital.

Equity ratio (target 40%)

Realised	31 Dec 2015	31 Dec 2014
	47.4%	44.0%

Values of financial assets and liabilities by category:

EUR 1,000 2015 balance sheet item	Financial assets and liabilities recognised at fair value through profit or loss	Derivative financial instruments under hedge accounting	Loans and other receivables	Available for sale financial assets	Financial liabilities	Balance sheet value in total
Non-current assets						
Trade receivables			2,716			2,716
Other financial assets				1,103		1,103
Loan receivables			7,567			7,567
Other receivables *)			946			946
Current assets						
Trade receivables			81,106			81,106
Loan receivables			3,378			3,378
Other receivables *)			4,275			4,275
Accrued credits and deferred charges *)			7,323			7,323
Derivative financial instruments	976	16				992
Cash and cash equivalents			4,140			4,140
Total financial assets	976	16	111,451	1,103	0	113,546
Non-current liabilities						
Loans					154,955	154,955
Finance lease obligations					671	671
Derivative financial instruments	685	4,915				5,600
Current liabilities						
Loans					43,570	43,570
Finance lease obligations					434	434
Trade payables					94,190	94,190
Other liabilities **)					7,400	7,400
Accruals and deferred income **)					48,606	48,606
Derivative financial instruments	2,783	557				3,340
Total financial liabilities	3,468	5,472	0	0	349,826	358,766

* Do not include VAT or income tax assets.

** Do not include VAT or income tax liabilities.

Values of financial assets and liabilities by category:

EUR 1,000 2014 balance sheet item	Financial assets and liabilities recognised at fair value through profit or loss	Derivative financial instruments under hedge accounting	Loans and other receivables	Available for sale financial assets	Financial liabilities	Balance sheet value in total
Non-current assets						
Trade receivables			2,606			2,606
Other financial assets				1,311		1,311
Loan receivables			7,734			7,734
Other receivables *)			928			928
Accrued credits and deferred charges *)			1			1
Derivative financial instruments	1	2				3
Current assets						
Trade receivables			86,755			86,755
Loan receivables			3,084			3,084
Other receivables *)			7,782			7,782
Accrued credits and deferred charges *)			7,043			7,043
Derivative financial instruments	5,214	27				5,241
Cash and cash equivalents			3,384			3,384
Total financial assets	5,215	29	119,317	1,311	0	125,872
Non-current liabilities						
Loans					202,140	202,140
Finance lease obligations					418	418
Other liabilities **)					0	0
Accruals and deferred income **)					8	8
Derivative financial instruments	352	5,334				5,686
Current liabilities						
Loans					51,152	51,152
Finance lease obligations					387	387
Trade payables					100,500	100,500
Other liabilities **)					7,211	7,211
Accruals and deferred income **)					50,034	50,034
Derivative financial instruments	1,875	411				2,286
Total financial liabilities	2,227	5,745	0	0	411,850	419,822

*) Do not include VAT or income tax assets.

**) Do not include VAT or income tax liabilities

Fair value hierarchy:

EUR 1,000

Balance sheet item	31 Dec 2015	Level 1	Level 2	Level 3
Non-current assets				
Available for sale financial assets				
- Unlisted shares	1,103			1,103
Current assets				
Derivative financial instruments	992		992	
Total	2,095	0	992	1,103
Non-current liabilities				
Bonds	50,000		50,000	
Derivative financial instruments	5,600		5,600	
Current liabilities				
Derivative financial instruments	3,340		3,340	
Total	58,940	0	58,940	0

Balance sheet item	31 Dec 2014	Level 1	Level 2	Level 3
Non-current assets				
Available for sale financial assets				
- Listed shares	241	241		
- Unlisted shares	1,070			1,070
Derivative financial instruments	3		3	
Current assets				
Derivative financial instruments	5,241		5,241	
Total	6,555	241	5,244	1,070
Non-current liabilities				
Bonds	50,000		50,000	
Derivative financial instruments	5,686		5,686	
Current liabilities				
Derivative financial instruments	2,286		2,286	
Total	57,972	0	57,972	0

Level 1: Prices listed on active markets for identical assets and liabilities
The fair value of financial instruments traded in active markets is based on market prices listed on the closing date. Markets are regarded as active if listed prices are readily and regularly available from the stock exchange, broker, industry group, price information service or supervisory authority, and these prices represent actual and regularly occurring market events between independent parties. The current purchase price is used as the listed market price for financial assets.

Level 2: Fair values can be determined either directly (i.e., as prices) or indirectly (i.e., derived from prices).
A fair value is established through valuation techniques for financial instruments that are not traded in active markets (such as OTC derivatives). These valuation techniques make maximum use of observable market information, when available, and rely as little as possible on company-specific assessments. If all significant input required for determining the fair value of the instrument is observable, the instrument is on level 2..

Level 3: Fair values are not based on verifiable market prices.
If one or more significant piece of input information is not based on observable market information, the instrument is classified on level 3. Assessments by external parties are used to measure financial instruments and, if such assessments are not available, the company's own calculations/assessments are used.

Changes in financial instruments belonging to level 3

Unlisted shares	2015	2014
Opening balance 1 Jan	1,070	1,969
Purchases	33	1
Decreases		-900
Closing balance 31 Dec	1,103	1,070

Derivative financial instruments:

Fair values of derivative instruments, EUR 1,000	Derivative assets 31 Dec 2015	Derivative liabilities 31 Dec 2015	Net fair value 31 Dec 2015	Net fair value 31 Dec 2014
Forward exchange agreements				
Cash flow hedges under IAS 39 hedge accounting	16	116	-100	-91
Other hedges	976	1,036	-60	4,342
Interest rate swaps, due in more than one year				
Cash flow hedges under IAS 39 hedge accounting		3,388	-3,388	-4,365
Electricity derivatives				
Cash flow hedges under IAS 39 hedge accounting		2,024	-2,024	-1,274
Other hedges		2,376	-2,376	-1,340
Total	992	8,940	-7,948	-2,728

Nominal values of derivative financial instruments, EUR 1,000	31 Dec 2015	31 Dec 2014
Forward exchange agreements		
Cash flow hedges under IAS 39 hedge accounting	9,720	9,472
Other hedges	101,086	95,053
Interest rate swaps		
Cash flow hedges under IAS 39 hedge accounting	80,000	89,391
Electricity derivatives		
Cash flow hedges under IAS 39 hedge accounting	11,852	16,050
Other hedges	429	505
Total	203,087	210,471

30. Other leases, EUR 1,000

	2015	2014
Group as lessee:		
Minimum lease payments based on non-cancellable leases		
Within one year	10,620	11,117
Within more than one year and a maximum of five years	15,920	20,653
After more than five years	10,562	10,750
Total	37,102	42,520
Rents recognised as cost	9,101	9,344

The terms and conditions of the leases vary. The Group companies rent properties, machinery and equipment.

31. Contingent liabilities, EUR 1,000

Debts with mortgages or other collateral given as security		
Loans from financial institutions	2,690	2,665
Pension fund loans	5,517	5,383
Total	8,207	8,048
Mortgages and other securities given as comprehensive security		
Real estate mortgages	3,836	3,786
Corporate mortgages	1,197	1,171
Total	5,033	4,957
Contingent liabilities not included in the balance sheet		
Guarantees	377	391

32. Related party transactions, EUR 1,000

Atria Group's related parties include the members of the Board of Directors and the Supervisory Board, the CEO, the Deputy CEO and other members of the management team, their immediate families and the companies in which they have a controlling interest. Other related parties are the Group's joint ventures and associated companies, as well as the shareholding co-operatives Itikka Co-operative, Lihakunta Co-operative and Pohjanmaan Liha Co-operative and the subsidiaries of these companies.

Group companies, Group joint ventures and associates are presented in more detail in Note 35.

All business transactions that are entered into with related parties and are not eliminated in the consolidated financial statements are recognised as related party transactions.

Transactions with related parties and related-party assets and liabilities	Joint ventures and associates	Other related parties	Total
1 Jan–31 Dec 2015			
Sale of goods	3,549	6,089	9,638
Sale of services	32	35	67
Rental income	97	123	220
Purchase of goods	14,695	9,794	24,489
Purchase of services	52,968	91	53,059
Rental costs	19	4,386	4,405

31 Dec 2015			
Trade receivables	335	377	712
Other receivables	1	1,662	1,663
Trade payables	5,171	9	5,180
Other liabilities		88	88

Transactions with related parties and related-party assets and liabilities	Joint ventures and associates	Other related parties	Total
1 Jan–31 Dec 2014			
Sale of goods	2,252	6,154	8,406
Sale of services	216	47	263
Rental income	96	122	218
Purchase of goods	20,950	10,351	31,301
Purchase of services	53,295	224	53,519
Rental costs	17	4,127	4,144
Shares sold		1,498	1,498
31 Dec 2014			
Trade receivables	270	444	714
Other receivables		1,564	1,564
Trade payables	5,564	42	5,606
Other liabilities		292	292

The sale of goods and services to related parties is based on the Group's valid price lists. The largest expense item under purchase of services is formed by the logistics services purchased from Tuoretie Oy. Debts to related parties are loans that can be called in immediately or as agreed; their interest rate is tied to the 3-month or 6-month Euribor rate.

Employee benefits and fees of the Group's key managerial personnel (on an accrual basis)	2015	2014
Short-term employee benefits	3,050	2,888
Statutory pension contributions	465	306
Post-employment benefits (group pension benefits)	265	301
Total	3,780	3,496

The key personnel in the Group's management are the members of the Board of Directors and the Supervisory Board, the CEO, the Deputy CEO and the other members of the Group's management team.

For the CEO and Deputy CEO, the retirement age is 63 years.

Group pension benefits have been arranged for the members of Atria Group's management team who are within the scope of Finnish social security. The retirement age under the group pension insurance is 63 years for the members of the management team. The pension plan is contribution-defined, and the annual payment is based on the monthly salary (monetary salary and fringe benefits) of the insured.

Salaries, benefits and pension contributions for the members of the Supervisory Board and the Board of Directors, the CEO and the Deputy CEO	Salaries and remuneration	Statutory pension contributions	Supplementary pension contributions	Total
Members of the Supervisory Board:				
Hyry Hannu, Chairman	27	5		32
Anttikoski Juho, Deputy Chairman	16	3		18
Other members of the Supervisory Board	51			51
Total	94	8	0	102
Members of the Board of Directors:				
Paavola Seppo, Chairman	68	12		81
Komulainen Timo, Deputy Chairman until 28 April 2015	44	8		52
Rantsi Jyrki, deputy chairman since 28 April 2015	46	8		54
Kaarto Esa	61	11		72
Moisio Jukka	23	4		27
Paxal Kjell-Göran	34	6		40
Romanainen Maisa	23	4		27
Sivula Harri	27	5		32
Total	327	59	0	386
CEO:				
Gröhn Juha	631	114	139	884
Deputy CEO:				
Kyntäjä Heikki, CFO	264	48	28	340

33. Acquired operations, EUR 1,000

2015:

In May 2015, Atria acquired the operations of Aalbaek Specialiteter A/S, a Danish manufacturer of organic cold cuts, for EUR 5.5 million. Aalbaek's annual net sales amount to around EUR 10 million. Aalbaek is the top organic cold cuts brand in Denmark.

The demand for organic meat products in Denmark has been increasing steadily for several years. The transaction will strengthen Atria's market-leading position in cold cuts in the country. Aalbaek's brands and business, including all agreements, were transferred to Atria as part of the deal, along with a shop and production facilities in Farre. In conjunction with the transaction, 10 Aalbaek employees transferred to Atria. The operations were consolidated into Atria from 11 May 2015.

In connection with the acquisition, the brand was recognised as a separate intangible asset with a balance sheet value of EUR 3.7 million on the reporting date.

Business of Aalbaek Specialiteter A/S	Fair values used in the acquisition
Property, plant and equipment	1,058
Intangible assets	4,894
Inventories	632
Total assets	6,584
Deferred tax liabilities	875
Current liabilities	227
Total liabilities	1,102
Net assets	5,482
Purchase price	5,482
Effect of the acquisition on cash flow	5,482

This calculation is final.

2014:

The Finnish Competition and Consumer Authority issued a decision on 21 January 2014 to approve Atria's acquisition of Saarioinen Oy's business related to purchasing, slaughtering and cutting operations for beef, pork and chicken, including the entire share capital of Sahalahden Broiler Oy, as well as slaughtering and cutting operations for pork and beef in Jyväskylä. In conjunction with the deal, Atria and Saarioinen signed an agreement concerning meat deliveries from Atria to Saarioinen.

The businesses covered by the deal employ about 400 people on average. As a result of the deal, Atria's net sales are projected to grow by around EUR 60 million per year. The transaction price was EUR 29.2 million. In addition, EUR 4.2 million was paid for receivables from producers. The acquisition had no material effect on the Group's key figures.

The deal consolidates Atria's position as a Finnish meat processing company and complements Atria's existing operations and product range. A long-term cooperation agreement for meat deliveries to Saarioinen will increase the efficiency of production operations. The acquisition raised the capacity of the expanding poultry operations.

The operations were consolidated into Atria as of 1 February 2014.

Sahalahden Broiler Oy Slaughtering and cutting operations for beef and pork in Jyväskylä	Fair values used in the acquisition
Property, plant and equipment	8,215
Intangible assets	
Business contracts	8,977
Brands	859
Goodwill	11,470
Other intangible assets	79
Inventories	396
Current receivables	7,460
Cash in hand and at bank	945
Total assets	38,401
Deferred tax liabilities	2,497
Current liabilities	2,429
Total liabilities	4,926
Net assets	33,475
Purchase price	33,475
Effect of the acquisition on cash flow	32,530

The calculation was updated after its initial presentation as the value of transferred assets and, consequently, the purchase price, were updated. This calculation is final.

34. Sold operations

2015:

Falbygdens cheese business:
The Swedish Competition Authority approved the sale of Atria's Falbygdens cheese business to Arla Foods AB on 11 March 2015. The transferred operations were consolidated into Arla Foods AB from 1 April 2015. The sale included the transfer of the following to Arla: the Falbygdens cheese business and its employees, the production plant in Falköping and the Falbygdens brand. The number of the employees to be transferred was around 100. The assets of the divested cheese business totalled EUR 33.6 million and liabilities EUR 5.3 million. The sale price was EUR 29.3 million when the change in net working capital as per the sales agreement was taken into account. The deal will have no impact on the company's performance

OOO Campoferma:
Atria sold its subsidiary OOO Campoferma in Russia on 24 June 2015. The company owned a farm property near Moscow. The transaction price was EUR 4.5 million, and the company's net assets totalled EUR 5.0 million. Costs of EUR 0.6 million were recognised for the sale. Additionally, translation differences of EUR 2.5 million accrued by the company have been transferred from equity to other operational income.

2014:
In late 2013, Atria launched an efficiency improvement programme in Moscow and decided to discontinue industrial production and the operation of the logistics unit by the end of 2014. As part of the programme, Atria sold its real estate company in Moscow for EUR 12 million. The assets of the divested company totalled EUR 8.9 million and liabilities EUR 1.1 million. The transaction's effect on cash flow was EUR 11.9 million. The translation differences attributable to the divested company amounted to EUR -1.8 million.

Atria continued to lease the real estate in Moscow until the end of March 2015. A positive effect of EUR 0.5 million on earnings was recorded for the sale of the real estate and the reorganisation of operations.

35. Group companies, Group joint ventures and associates

"The most significant subsidiaries of Atria Group are Atria Finland Ltd, Atria Sverige AB, Atria Danmark A/S, OOO Pit-Product and Atria Eesti AS, all of which are manufacturers of foodstuffs, as well as A-Farmers Ltd, which is responsible for animal procurement and trading, and A-Rehu Oy, which manufactures animal feed. "

Group companies by business area	Domestic	Ownership interest (%)	Share of votes (%)
Atria Finland:			
Ab Botnia-Food Oy *)	Finland	100.0	100.0
A-Liha Jyväskylä Oy	Finland	100.0	100.0
A-Lihatukkurin Oy *)	Finland	100.0	100.0
A-Logistics Ltd	Finland	100.0	100.0
A-Pekoni Nurmo Oy	Finland	100.0	100.0
A-Pihvi Kauhajoki Oy	Finland	100.0	100.0
A-Pihvi Kuopio Oy	Finland	100.0	100.0
A-Rehu Oy	Finland	51.0	51.0
A-Sikateurastamo Oy	Finland	100.0	100.0
Atria Plc	Finland		
Atria Finland Ltd	Finland	100.0	100.0
Atria-Chick Oy	Finland	100.0	100.0
Atria-Lihavalmiste Oy	Finland	100.0	100.0
Atria-Meetvursti Oy	Finland	100.0	100.0
Atria-Tekniikka Oy	Finland	100.0	100.0
Atria-Tuoreliha Oy	Finland	100.0	100.0
Atria-Valmisruoka Oy	Finland	100.0	100.0
A-Farmers Ltd	Finland	97.9	99.0
Best-In Oy	Finland	100.0	100.0
F-Logistiikka Oy *)	Finland	100.0	100.0
Kauhajoen Teurastamokiinteistöt Oy	Finland	100.0	100.0
Kiinteistö Oy Tievapolku 3	Finland	100.0	100.0
Liha ja Säilyke Oy	Finland	100.0	100.0
Mestari Forsman Oy *)	Finland	100.0	100.0
Rokes Oy	Finland	100.0	100.0
Sahalahden Broiler Oy	Finland	100.0	100.0
Suomen Kalkkuna Oy	Finland	100.0	100.0
Atria Scandinavia:			
Atria Concept SP Z.o.o	Poland	100.0	100.0
Atria Danmark A/S	Denmark	100.0	100.0
Atria Denmark Holding A/S	Denmark	100.0	100.0
Atria Scandinavia AB	Sweden	100.0	100.0
Atria Sverige AB	Sweden	100.0	100.0
KB Joddlaren	Sweden	100.0	100.0
Nordic Fastfood AB	Sweden	51.0	51.0
Nordic Fastfood Etablerings AB *)	Sweden	51.0	51.0
Ridderheims AS	Norway	100.0	100.0
Atria Russia:			
Atria-Invest Oy	Finland	100.0	100.0
OOO Pit-Product	Russia	100.0	100.0
Atria Baltic:			
Atria Eesti AS	Estonia	100.0	100.0
Atria Farmid OÜ	Estonia	100.0	100.0
OÜ Atria *)	Estonia	100.0	100.0

*) Dormant company

The consolidated financial statements include all subsidiaries. Owners with non-controlling interests accounted for an insignificant share of Atria Group's profit for the period and retained earnings.

Group joint ventures and associates	Domestic	Ownership interest (%)	Share of votes (%)
Group joint ventures:			
Honkajoki Oy *)	Finland	50.0	50.0
Finnish Meat Research Institute, LTK Co-operative	Finland	50.0	50.0
Länsi-Kalkkuna Oy	Finland	50.0	50.0
Group associates:			
Domretor Oy	Finland	24.9	24.9
Findest Protein Oy	Finland	33.1	33.1
Finnpig Oy	Finland	50.0	50.0
Foodwest Oy	Finland	33.5	33.5
Kiinteistö Oy Itikanmäen Teollisuustalo	Finland	13.2	13.2
Transbox Oy	Finland	25.7	25.7
Tuoretie Oy	Finland	33.3	33.3

*) Reported as a significant joint venture (Note 15).

INCOME STATEMENT, EUR 1,000

	Note	1 Jan–31 Dec 2015	1 Jan–31 Dec 2014
NET SALES	2.1	37,833	36,984
Other operating income	2.2	3,192	4,400
Personnel expenses	2.3	-2,972	-3,192
Depreciation and impairment	2.4		
Planned depreciation		-22,126	-21,807
Other operating expenses	2.5	-5,360	-4,796
EBIT		10,567	11,588
Financial income and expenses	2.6	-3,821	5,395
PROFIT BEFORE EXTRAORDINARY ITEMS		6,746	16,982
Extraordinary items	2.7	8,470	0
PROFIT/LOSS BEFORE APPROPRIATIONS AND TAXES		15,216	16,982
Appropriations	2.8	-243	-4,602
Income taxes	2.9	-36	-834
PROFIT/LOSS FOR THE ACCOUNTING PERIOD		14,937	11,547

BALANCE SHEET, EUR 1,000

Assets	Note	31 Dec 2015	31 Dec 2014
FIXED ASSETS			
Intangible assets	3.1		
Intangible rights		33	11
Other long-term expenditure		6,249	5,345
Total intangible assets		6,282	5,356
Tangible assets	3.1	218,735	212,190
Investments	3.2		
Interests in Group companies		312,476	307,976
Interests in associates		3,861	3,861
Other shares and interests		1,072	1,099
Total investments		317,409	312,936
TOTAL FIXED ASSETS		542,426	530,482
CURRENT ASSETS			
Non-current receivables	3.3	177,540	228,411
Current receivables	3.3	119,827	116,750
Cash in hand and at bank		2,982	1,992
TOTAL CURRENT ASSETS		300,349	347,153
Total assets		842,775	877,635

Liabilities	Note	31 Dec 2015	31 Dec 2014
EQUITY	3.4		
Share capital		48,055	48,055
Share premium		138,502	138,502
Treasury shares		-1,277	-1,277
Invested unrestricted equity fund		110,228	110,228
Retained earnings		58,785	58,500
Profit/loss for the accounting period		14,937	11,547
TOTAL EQUITY		369,229	365,555
ACCRUED APPROPRIATIONS	3.5		
Depreciation difference		83,398	83,155
LIABILITIES			
Non-current liabilities	3.6	151,489	198,591
Current liabilities	3.7	238,659	230,334
TOTAL LIABILITIES		390,148	428,925
Total liabilities		842,775	877,635

CASH FLOW STATEMENT, EUR 1,000

	1 Jan–31 Dec 2015	1 Jan–31 Dec 2014
CASH FLOW FROM OPERATING ACTIVITIES		
Payments received from sales	37,774	36,932
Other business revenue	3,192	4,400
Payments on operating expenses	-7,454	-9,491
Cash flow from operating activities before financial items and taxes	33,512	31,841
Net financial income and expenses	-1,404	4,685
Tax paid	174	-1,647
Cash flow from operating activities	32,282	34,879
CASH FLOW FROM INVESTMENTS		
Investments in tangible and intangible assets and investments	-34,070	-56,172
Change in Group receivables	54,552	31,483
Change in loan receivables	-150	-2,500
Cash flow from investments	20,332	-27,190
CASH FLOW FROM FINANCING ACTIVITIES		
Loan payments	-51,111	-76,979
Change in Group liabilities	10,749	51,609
Dividends paid	-11,263	-6,194
Cash flow from financing activities	-51,624	-31,565
CASH FLOW FROM OPERATING ACTIVITIES	32,282	34,879
CASH FLOW FROM INVESTMENTS	20,332	-27,190
CASH FLOW FROM FINANCING ACTIVITIES	-51,624	-31,565
TOTAL	991	-23,876
Change in cash and cash equivalents		
Cash and cash equivalents 1 Jan	-1,992	-25,867
Cash and cash equivalents 31 Dec	2,982	1,992
Change	991	-23,876

1. PRINCIPLES APPLIED IN PREPARING THE FINANCIAL STATEMENTS

General principles applied in preparing the financial statements

Atria Plc's financial statements have been drawn up in accordance with Finland's Accounting Act and the other rules and regulations pertaining to the compilation of financial statements (FAS).

Information related to the Group

Atria Plc is the parent company of Atria Group, and its domicile is in Kuopio, Finland. Copies of Atria Plc's consolidated financial statements are available from the company's head office at Itikanmäenkatu 3, Seinäjoki, postal address: P.O. Box 900, FI-60060 ATRIA, Finland.

Valuation principles

In the balance sheet, tangible and intangible assets are entered at their direct acquisition cost less planned depreciation and value adjustments. Depreciation is implemented on a straight-line basis over the service life of the assets. Contributions received for the acquisition of tangible assets are entered as a decrease in acquisition costs. These contributions are not significant.

Depreciation periods		
Buildings	Nurmo	40 years
	other locations	25 years
Machinery and equipment	Nurmo	10 years
	other locations	7 years
Computer software		5 years
Other long-term items		10 years

In the balance sheet, financial instruments are measured at acquisition cost less value adjustments.

Items expressed in foreign currencies

Items expressed in foreign currencies have been converted into euro at the exchange rate quoted by the European Central Bank. The exchange differences of the realised currency-denominated loans are presented under financial items.

Derivative financial instruments

The company enters into derivative agreements in order to control exchange differences and interest rate levels. The derivatives used are forward exchange agreements and interest rate swaps.

The derivatives hedge accounting is not applied to are measured at fair value. All profits and losses resulting from fair value recognition are presented under the financial items of the income statement. The positive fair value of the derivatives used for hedging is presented under receivables and the negative fair value under liabilities.

The derivatives hedge accounting is applied to are recognised in the proper item of the income statement on their expiration date.

The fair values of all derivatives are presented in Note 4.3.

2. NOTES TO THE INCOME STATEMENT EUR 1,000

	1 Jan–31 Dec 2015	1 Jan–31 Dec 2014
2.1. NET SALES	37,833	36,984

The company's rental income is presented as net sales because it corresponds with the present nature of the company's operations.

2.2. OTHER OPERATING INCOME

	2015	2014
Service charges from the Group companies	2,828	3,638
Other	364	762
Total	3,192	4,400

2.3. PERSONNEL EXPENSES

	2015	2014
Average number of personnel		
Clerical personnel in Finland	11	11
Personnel expenses		
Salaries:		
CEO, Executive Vice President and Deputy CEO and members of the Board	1,329	1,154
Members of the Supervisory Board	79	97
Other salaries	842	1,144
Total	2,249	2,395
Pension costs	625	689
Other personnel-related expenses	98	109
Total	722	798
Personnel expenses total	2,972	3,192

Pension commitments of members of the Board and CEO:
The company's statutory pensions are defined contribution plans and have been arranged through an insurance company. The company does not have pension commitments for the CEO and the members of the Board of Directors and the Supervisory Board.

2.4. DEPRECIATION AND IMPAIRMENT

	2015	2014
Depreciations of tangible and intangible assets	22,126	21,807

Depreciation specification per balance sheet item included in section 3.1.

2.5. OTHER OPERATING EXPENSES	1 Jan–31 Dec 2015	1 Jan–31 Dec 2014
Other operating expenses	5,360	4,796
Including administration, marketing, energy, cleaning, operational and other costs as well as fees paid to auditors.		
Fees paid to auditors / Auditing fees PricewaterhouseCoopers Oy	177	170
Tax consulting	4	3
Other fees	23	11
Total	204	184

2.6. FINANCIAL INCOME AND EXPENSES		
Return on long-term investments		
From other companies	600	8,385
Total	600	8,385
Other interest and financial income		
From Group companies	3,877	7,341
From other companies	2,725	8,185
Total	6,602	15,527
Interest expenses and other financial expenses		
To Group companies	487	610
Impairment on the Group's investments	443	0
To other companies	10,093	17,906
Total	11,024	18,517
Total financial income and expenses	-3,821	5,395
Interest expenses and other financial expenses include exchange rate gains/losses (net)	4	-20

2.7. EXTRAORDINARY ITEMS		
Group contributions received	8,470	0

2.8. APPROPRIATIONS		
Difference between planned depreciation and depreciation implemented in taxation	-243	-4,602

2.9. INCOME TAXES		
Income taxes on operations	36	834

3 . NOTES TO THE BALANCE SHEET

	31 Dec 2015	31 Dec 2014
3.1. INTANGIBLE AND TANGIBLE ASSETS		
Intangible assets:		
Intangible rights		
Acquisition cost 1 Jan	1,455	1,455
Increases	28	0
Decreases	0	0
Acquisition cost 31 Dec	1,483	1,455
Cumulative depreciation 1 Jan	-1,444	-1,438
Depreciation on decreases	0	0
Depreciation for the accounting period	-6	-6
Cumulative depreciation 31 Dec	-1,450	-1,444
Book value 31 Dec	33	11
Other long-term expenditure		
Acquisition cost 1 Jan	22,914	21,260
Increases	2,570	1,654
Decreases	0	0
Acquisition cost 31 Dec	25,484	22,914
Cumulative depreciation 1 Jan	-17,569	-15,999
Depreciation on decreases	0	0
Depreciation for the accounting period	-1,666	-1,570
Cumulative depreciation 31 Dec	-19,234	-17,569
Book value 31 Dec	6,249	5,345
Total intangible assets	6,282	5,356
Tangible assets:		
Land and water		
Acquisition cost 1 Jan	1,233	1,233
Increases	0	0
Decreases	-27	0
Acquisition cost 31 Dec	1,207	1,233
Buildings and structures		
Acquisition cost 1 Jan	297,430	293,459
Increases	1,205	3,971
Decreases	0	0
Acquisition cost 31 Dec	298,635	297,430
Cumulative depreciation 1 Jan	-149,876	-143,367
Depreciation on decreases	0	0
Depreciation for the accounting period	-6,554	-6,509
Cumulative depreciation 31 Dec	-156,429	-149,876
Book value 31 Dec	142,206	147,555
Machinery and equipment		
Acquisition cost 1 Jan	315,116	300,917
Increases	8,086	14,248
Decreases	-28	-49
Acquisition cost 31 Dec	323,175	315,116

	31 Dec 2015	31 Dec 2014
Cumulative depreciation 1 Jan	-256,136	-242,550
Depreciation on decreases	0	0
Depreciation for the accounting period	-13,752	-13,586
Cumulative depreciation 31 Dec	-269,888	-256,136
Book value 31 Dec	53,287	58,980
Other tangible assets		
Acquisition cost 1 Jan	2,337	2,324
Increases	471	13
Decreases	0	0
Acquisition cost 31 Dec	2,808	2,337
Cumulative depreciation 1 Jan	-1,429	-1,293
Depreciation on decreases	0	0
Depreciation for the accounting period	-149	-136
Cumulative depreciation 31 Dec	-1,577	-1,429
Book value 31 Dec	1,231	909
Advance payments and acquisitions in progress		
Acquisition cost 1 Jan	3,514	7,974
Changes +/-	17,291	-4,460
Acquisition cost 31 Dec	20,804	3,514
Tangible assets total	218,735	212,190
Non-depreciated acquisition cost of machinery and equipment	53,287	58,980

The share of items other than production machinery and equipment is not significant amount.
The acquisition costs of completely depreciated and scrapped items are presented as decreases.

3.2. INVESTMENTS

	Parent company holding % 2015	Parent company holding % 2014
Group companies:		
Ab Botnia-Food Oy, Seinäjoki	100	100
Atria Eesti AS, Valga, Estonia	100	100
Atria Scandinavia AB, Sköllersta, Sweden	100	100
Atria Finland Ltd, Kuopio	100	100
Atria-Invest Oy, Seinäjoki	100	100
A-Farmers Ltd, Seinäjoki	97.9	97.9
Best-In Oy, Kuopio	100	100
Kauhajoen Teurastamokiinteistöt Oy, Kauhajoki	100	100
Kiinteistö Oy Tievapolku 3, Helsinki	100	100
Liha ja Säilyke Oy, Forssa	63.2	63.2
Mestari Forsman Oy, Seinäjoki	100	100
OÜ Atria, Tallinn, Estonia	100	100
Rokes Oy, Forssa	100	100
Suomen Kalkkuna Oy, Seinäjoki	100	100
UAB Vilniaus Mesa, Vilnius, Lithuania *		

* The company was wound up and closed down on 29 December 2015

	31 Dec 2015	31 Dec 2014
Joint ventures and associates:		
Foodwest Oy, Seinäjoki	33.5	33.5
Honkajoki Oy, Honkajoki	50.0	50.0
Kiinteistö Oy Itikanmäen Teollisuustalo, Seinäjoki	13.2	13.2
Finnish Meat Research Institute, Hämeenlinna	50.0	50.0
Länsi-Kalkkuna Oy, Säkylä	50.0	50.0
Transbox Oy, Helsinki	18.6	18.6
Tuoretie Oy, Seinäjoki	33.3	33.3

3.3. RECEIVABLES

	31 Dec 2015	31 Dec 2014
Non-current receivables:		
Loan receivables	2,650	2,500
Receivables from group companies:		
Loan receivables	174,890	225,911
Total non-current receivables	177,540	228,411
Current receivables:		
Trade receivables	35	27
Other receivables	98	98
Accrued credits and deferred charges	466	1,682
Receivables from group companies:		
Trade receivables	1,360	1,309
Other receivables	108,442	111,972
Accrued credits and deferred charges	9,426	1,661
Total current receivables	119,827	116,750
Material items included in the accrued credits and deferred charges:		
- Group contributions	8,470	0
- amortised interests	1,033	1,673
- valuation of forward contracts	0	1,098
- amortised taxes	278	489
- other	110	84
Total	9,892	3,343

3.4. EQUITY

	31 Dec 2015	31 Dec 2014
Share capital 1 Jan	48,055	48,055
Share capital 31 Dec	48,055	48,055
Share premium 1 Jan	138,502	138,502
Share premium 31 Dec	138,502	138,502
Total restricted equity	186,557	186,557

	31 Dec 2015	31 Dec 2014
Own shares 1 Jan	-1,277	-1,277
Own shares 31 Dec	-1,277	-1,277
Invested unrestricted equity fund 1 Jan	110,228	110,228
Invested unrestricted equity fund 31 Dec	110,228	110,228
Retained earnings 1 Jan	70,047	64,695
Dividend distribution	-11,263	-6,194
Retained earnings 31 Dec	58,785	58,500
Profit/loss for the accounting period	14,937	11,547
Retained earnings 31 Dec	73,722	70,047
Total unrestricted equity	182,672	178,997
Total equity	369,229	365,555

At the end of the financial period on 31 December 2015, the company held a total of 111,312 treasury shares, accounting for 0.394% of the shares in the company and 0.1% of the voting rights. The number of treasury shares did not change during the period.

Calculation of distributable funds:	31 Dec 2015	31 Dec 2014
Invested unrestricted equity fund	110,228	110,228
Retained earnings	58,785	58,500
Profit/loss for the accounting period	14,937	11,547
Treasury shares	-1,277	-1,277
Total	182,672	178,997

The breakdown of the share capital is as follows:

	2015		2014	
	Number	EUR	Number	EUR
Series A (1 vote/share)	19,063,747	32,408	19,063,747	32,408
Series KII (10 votes/ share)	9,203,981	15,647	9,203,981	15,647
Total	28,267,728	48,055	28,267,728	48,055

3.5. ACCRUED APPROPRIATIONS	31 Dec 2015	31 Dec 2014
Depreciation difference	83,398	83,155

3.6. NON-CURRENT LIABILITIES		
Bonds	50,000	50,000
Loans from financial institutions	81,250	123,141
Pension fund loans	13,025	15,538
Accruals and deferred income	89	0
Total	144,364	188,679
Liabilities to Group companies:		
Other non-current liabilities	7,125	9,913
Total non-current liabilities	151,489	198,591
Loans maturing later than in five years:		
Loans from financial institutions	30,000	0
Pension fund loans	4,000	6,000
Total	34,000	6,000

The bond amounting to EUR 50 million issued by Atria Plc in 2013 matures in 2018 (interest rate 4.4%)

3.7. CURRENT LIABILITIES		
Loans from financial institutions	37,608	41,345
Pension fund loans	2,513	5,370
Trade payables	3,259	2,133
Other liabilities	679	871
Accruals and deferred income	3,982	3,362
Liabilities to Group companies:		
Other non-current liabilities	2,788	2,788
Trade payables	529	680
Other liabilities	187,228	173,691
Accruals and deferred income	74	95
Total current liabilities	238,659	230,334
Material items included in accruals and deferred income:		
- accruals of salaries and social security payments	784	787
- interest accruals	2,176	2,530
- valuation of forward contracts	1,034	0
- other	62	140
Total	4,056	3,456

4. OTHER NOTES, EUR 1,000

	31 Dec 2015	31 Dec 2014
4.1. SECURITIES GIVEN, CONTINGENT LIABILITIES AND OTHER LIABILITIES		
Contingent liabilities and other liabilities not included in the balance sheet		
Guarantees		
On behalf of group companies	51,865	60,999
On behalf of others	0	0
Total	51,865	60,999
Other leases		
Minimum rents paid based on other leases		
Within one year	664	562
Within more than one year and a maximum of five years	972	658
After more than five years	3,296	3,291
Total	4,933	4,511

4.2. VAT LIABILITIES

The company has made property investments as referred to in the Value Added Tax Act. The remaining verification liability of these investments was assessed for each verification period on 31 December 2015.
The company is obliged to verify reductions in VAT on property investments if the taxable use of the properties decreases during the verification period.

Year of completion of the investment	Remaining amount of verification liability	
2008	289	433
2009	413	550
2010	143	179
2011	886	1,064
2012	544	635
2013	607	694
2014	741	834
2015	1,885	0
Total	5,509	4,389

4.3. DERIVATIVE INSTRUMENTS

Fair values of derivative instruments	31 Dec 2015	31 Dec 2014
	Derivative assets (+) / liabilities (-)	
Forward exchange agreements:		
Other hedges	-1,034	1,098
Interest rate swaps, due in more than 1 year:		
Cash flow hedges under hedge accounting	-3,388	-4,365
Total	-4,422	-3,267

Signatures to the financial statements and annual report

Seinäjoki, 17 March 2016

Seppo Paavola Chairman	Esa Kaarto
Timo Komulainen	Jukka Moisio
Kjell-Göran Paxal	Jyrki Rantsi
Maisa Romanainen	Harri Sivula
Juha Gröhn CEO	

Note to the financial statements
A report on the audit performed has been issued today.

Seinäjoki, 17 March 2016
PricewaterhouseCoopers Oy
Firm of authorised public accountants

Juha Wahlroos
Authorised Public Accountant

(Translation from the Finnish Original)

To the Annual General Meeting of Atria Corporation

We have audited the accounting records, the financial statements, the report of the Board of Directors and the administration of Atria Corporation for the year ended 31 December, 2015. The financial statements comprise the consolidated statement of financial position, income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows, and notes to the consolidated financial statements, as well as the parent company's balance sheet, income statement, cash flow statement and notes to the financial statements.

Responsibility of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, as well as for the preparation of financial statements and the report of the Board of Directors that give a true and fair view in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The Board of Directors is responsible for the appropriate arrangement of the control of the company's accounts and finances, and the Managing Director shall see to it that the accounts of the company are in compliance with the law and that its financial affairs have been arranged in a reliable manner.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements, on the consolidated financial statements and on the report of the Board of Directors based on our audit. The Auditing Act requires that we comply with the requirements of professional ethics. We conducted our audit in accordance with good auditing practice in Finland. Good auditing practice requires that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and the report of the Board of Directors are free from material misstatement, and whether the members of the Supervisory Board and Board of Directors of the parent company as well the Managing Director are guilty of an act or negligence which may result in liability in damages towards the company or whether they have violated the Limited Liability Companies Act or the articles of association of the company.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the report of the Board of Directors. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements and report of the Board of Directors that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements and the report of the Board of Directors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion on the Consolidated Financial Statements

In our opinion, the consolidated financial statements give a true and fair view of the financial position, financial performance, and cash flows of the group in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.

Opinion on the Company's Financial Statements and the Report of the Board of Directors

In our opinion, the financial statements and the report of the Board of Directors give a true and fair view of both the consolidated and the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The information in the report of the Board of Directors is consistent with the information in the financial statements.

Other Opinions

We support that the financial statements and the consolidated financial statements should be adopted. The proposal by the Board of Directors regarding the use of the profit shown in the balance sheet is in compliance with the Limited Liability Companies Act. We support that the Members of the Supervisory Board and Board of Directors as well the Managing Director of the parent company should be discharged from liability for the financial period audited by us.

Seinäjoki 17 March 2016

PricewaterhouseCoopers Oy
Firm of authorised public accountants

Juha Wahlroos
Authorised Public Accountant

Contents

1. Corporate governance

Atria Plc ("Atria" or "the company") is a Finnish public company, and the responsibilities and obligations of its governing bodies are determined by Finnish law. The parent company, Atria Plc, and its subsidiaries constitute the international Atria Group. The company is domiciled in Kuopio.

Responsibility for the administration and operations of Atria Group lies with the governing bodies of the parent, Atria Plc. These are the General Meeting, Supervisory Board, Board of Directors and CEO.

Atria's decision-making and corporate governance are in compliance with the Finnish Limited Liability Companies Act, regulations applied to publicly listed companies, Atria Plc's Articles of Association, the rules of procedure for Atria's Board of Directors and committee, and Nasdaq Helsinki Ltd's rules and guidelines. Atria follows the Finnish Corporate Governance Code ("Corporate Governance Code"). In the Corporate Governance Statement compiled from the fiscal year 2015 Atria applies the previous Corporate Governance Code from the year 2010. The full Corporate Governance Code may be viewed at www.cgfinland.fi. In accordance with the Comply or Explain principle, the company departs from the recommendations of the Code as follows:

- The company has a Supervisory Board.
- As an exception to Corporate Governance Code recommendation 10, the term of each Board member is three (3) years in accordance with Atria's Articles of Association.
- As an exception to Corporate Governance Code recommendation 14, 3 members of the Board of Directors of total 8 members are independent of the Company. According to the company's view, understanding of Atria's business requires from the majority of the members of the Board of Directors deep knowledge and commitment to meat business.
- As an exception to Corporate Governance Code recommendation 32, one member of the total 3 members of the Nomination and Remuneration Committee is independent of the company. The Nomination and Remuneration Committee consists of the members of the Board of Directors and the majority of the Board members are dependent of the company.

Atria Plc has prepared a Corporate Governance Statement in accordance with recommendation 54 of the Corporate Governance Code.

1.1 Articles of Association

The Articles of Association and the pre-emptive purchase clause can be found in their entirety on the company's website at www.atria.com under Investors.

1.2 Shareholder agreement

Lihakunta and Itikka Co-operative, two of Atria's shareholders, have agreed to ensure that they are both represented on the Supervisory Board in proportion to their holdings of Series KII shares in the company. The parties will also ensure that the Chairman of the Supervisory Board and the deputy Chairman of the Board of Directors are nominated by one party and the Chairman of the Board of Directors and the deputy Chairman of the Supervisory Board by the other party.

Regarding the distribution of Board positions, it has been agreed that each of the parties may nominate three ordinary members and their deputy members to the Board of Directors. The agreement also includes stipulations on the mutual proportion of shareholding and on the procedures followed when either party acquires more Series KII shares directly or indirectly. According to the agreement, the acquisition of Series A shares is not considered in the evaluation of the mutual proportion of shareholding.

Furthermore, Lihakunta, Itikka Co-operative and Pohjanmaan Liha, who hold shares in Atria, have agreed to ensure that Pohjanmaan Liha has one representative on the Supervisory Board. The agreement also includes stipulations on Pohjanmaan Liha Co-operative's shareholding.

The company is not aware of any other shareholder agreements.

Despite the above, as stated in Section 3 below, the Annual General Meeting decides on the number of members of the company`s Supervisory Board and of the Board of Directors and their election.

2. Corporate Governance Statement

The full Corporate Governance Statement can be found on the company's website at www.atria.com under Investors.

3. General Meeting

The General Meeting is Atria Plc's highest decision-making body. At the General Meeting, shareholders decide, among other things, on the approval of the financial statements and the use of the profit shown on the balance sheet; the discharge of the members of the Board of Directors and of the Supervisory Board, as well as the CEO, from liability; the number of members of the Supervisory Board and of the Board of Directors, and their election and remuneration; and the election of one or more auditors and the auditing fees.

The Annual General Meeting is held by the end of June on a date designated by the Board of Directors, and the agenda includes matters that are to be handled by the Annual General Meeting in accordance with the Articles of Association and any other proposals. Extraordinary General Meetings may be convened as needed.

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. Where applicable, the shareholder must submit a request to have the matter dealt with by the Annual General Meeting by the date set by the company, which is published on the company's website at www.atria.com. The request, with accompanying justification or proposed resolution, must be sent in writing to Atria Plc, Group Legal Affairs, P.O. Box 900, FI-60060 ATRIA.

The General Meeting is convened by the Board of Directors. It is held in the company's domicile, Kuopio, or in Helsinki. The notice to convene the General Meeting is communicated by publishing the notice on the Company's website and by a company announcement at the earliest three (3) months and at the latest three (3) weeks before the General Meeting however no later than nine (9) days prior to the record date for the General Meeting. In addition, the Board of Directors may decide to publish the notice, or a notification of delivering notice, in one or more Finnish national newspapers determined by the Board of Directors, or in any other manner it may decide.

To have the right to participate in a General Meeting, shareholders must register with the company by the day mentioned in the notice of meeting, which can be no earlier than ten (10) days before the meeting.

The CEO, the Chairman of the Board and all Board members shall be present at the General Meeting and the company`s auditors shall be present at the Annual General Meeting. First-time candidates for the Supervisory Board or the Board of Directors shall be present at the General Meeting where decisions on their appointment are made.

4. Nomination Board

Atria Plc's Annual General Meeting held on 3 May 2012 has appointed a Nomination Board to prepare proposals concerning the election and remuneration of Board members for the next Annual General Meeting. On 6 May 2014 Annual General Meeting decided to expand the duties of the Nomination Board, so that in the future it will also prepare a proposal concerning the remuneration of the members of the Supervisory Board for the next Annual General Meeting.

Shareholders or their representatives who own Series KII shares as well as the largest holder of Series A shares who does not own Series KII shares, or a representative thereof, shall be elected to the Nomination Board in accordance with their ownership in early November preceding the Annual General Meeting. The right to nominate a representative to the Nomination Board is determined on the basis of the shareholder register maintained by Euroclear Finland Ltd in accordance with the situation on the first banking day of the November preceding the Annual General Meeting. The Chairman of the Board of Directors shall also be appointed to the Nomination Board as an expert member.

If a shareholder does not wish to exercise his or her right to nominate a member, the right will be transferred to the next largest Series A shareholder as per the shareholder register who would not otherwise have the right to nominate a member. Some shareholders are obligated to notify the company of certain changes in shareholding when necessary under the Finnish Securities Markets Act. Such shareholders may present a written request to the company's Board of Directors by the end of October for the holdings of corporations or foundations controlled by the shareholder, or the shareholder's holdings in several funds or registers, to be combined when calculating voting rights.

The Nomination Board is convened by the Chairman of the Board of Directors, and the Nomination Board elects a Chairman from amongst its members. The Nomination Board shall present its proposal to the Board of Directors by the first day of the February preceding the Annual General Meeting.

5. Supervisory Board

In accordance with Atria Plc's Articles of Association, the company has a Supervisory Board elected by the General Meeting. The Supervisory Board consists of a minimum of 18 and a maximum of 21 members, who are elected for terms of three years. No person who is aged sixty-five (65) or older can be elected to the Supervisory Board. The Supervisory Board elects a Chairman and a deputy Chairman from amongst its members for terms of one year. The Supervisory Board meets three times a year on average.

The duties of the Supervisory Board are specified in the Limited Liability Companies Act and Atria Plc's Articles of Association. The key duties of the Supervisory Board are as follows:
- Supervising the administration of the company by the Board of Directors and the CEO.
- Providing instructions to the Board of Directors on matters that are of far-reaching consequence or important in principle.
- Submitting its statement on the financial statements and auditors' report to the Annual General Meeting.

Shareholders of the company representing more than 50% of the votes granted by the company`s shares have expressed their satisfaction with the current model based on the Supervisory Board, because it brings a far-reaching perspective on the company's operations and decision-making.

Following the Annual General Meeting held in 2015, the members of Atria Plc's Supervisory Board are as follows:

Name	Born	Member from	Education	Main occupation	Share ownership
Hannu Hyry (Chairman)	1956	2013		Farmer	144
Juho Anttikoski (Vice Chairman)	1970	2009		Farmer	4.000
Mika Asunmaa	1970	2005		Farmer	6.000
Reijo Flink	1967	2014	Agrologist	CEO	4.660
Lassi-Antti Haarala	1966	2002	Agrologist	Farmer	6.000
Jussi Hantula	1955	2012	Agrologist	Farmer	681
Henrik Holm	1966	2002		Farmer	430
Veli Hyttinen	1973	2010	Agrologist	Farmer	1.500
Pasi Ingalsuo	1966	2004	Agrologist	Farmer	4.150
Marja-Liisa Juuse	1963	28.4.2015	Agrologist	Farmer	250
Jukka Kaikkonen	1963	2013	Agrologist	Farmer	500
Juha Kiviniemi	1972	2010	MSc (Agr.)	Farmer	300 184 company authority
Pasi Korhonen	1975	2013		Farmer	0
Ari Lajunen	1975	2013	MSc (Agr.)	Farmer	0
Mika Niku	1970	2009		Farmer	300
Pekka Ojala	1964	2013	Agrologist	Farmer	0
Heikki Panula	1955	2005	MSc (Agr.)	Farmer	500
Ahti Ritola	1964	2013	BBA	Farmer	0 400 company authority
Risto Sairanen	1960	2013		Farmer	60
Timo Tuhkasaari	1965	2002		Farmer	600

All members of Atria Plc's Supervisory Board are members of the administrative bodies of the company's principal owners – Lihakunta, Itikka Co-operative and Pohjanmaan Liha Co-operative. All members of the Supervisory Board are dependent of the company and of significant shareholders.

In 2015, Atria Plc's Supervisory Board met four (4) times, and the average attendance of the members was 97.4%.

6. Board of Directors

In accordance with the Articles of Association, Atria's Board of Directors has a minimum of 5 and a maximum of 9 members. The term of office of a member of Atria's Board of Directors differs from the term of one year specified in recommendation 10 of the Corporate Governance Code (2010). As per the Articles of Association, the term of a member of the Board of Directors is three (3) years. Shareholders representing more than 50% of the votes have stated that the term of three (3) years is appropriate for the long-term development of the company and have not seen the need to shorten the term from that specified in the Articles of Association. As an exception to Corporate Governance Code recommendation 14, 3 members of the Board of Directors of total 8 members are independent of the Company. According to the company's view, understanding of Atria's business requires from the majority of the members of the Board of Directors deep knowledge and commitment to meat business.

6.1 Duties of the Board of Directors

Atria's Board of Directors shall ensure the appropriate organisation of the company's administration, operations, accounting and supervision of asset management. To this end, the Board of Directors has adopted written rules of procedure concerning the duties of the Board, the matters to be dealt with, meeting practices and the decision-making procedure. According to these rules, the Board of Directors discusses and decides on significant matters related to the company's strategy, investments, organisation and financing. The rules of procedure lay down the following key duties for the Board of Directors:

- Approving the strategic goals and guidelines for the Group and its business areas
- Approving the budgets and business plans for the Group and its business areas
- Deciding on the investment plan for each calendar year and approving major investments that exceed one million euros
- Approving major M&A and restructuring operations
- Approving the Group's operating principles for important elements of management and supervision
- Discussing and adopting interim reports and financial statements
- Preparing the items to be dealt with at General Meetings and ensuring that decisions are implemented
- Approving the audit plan for internal auditing
- Appointing the CEO and deciding on his or her remuneration and other benefits
- Approving, at the CEO's proposal, the hiring of his or her direct subordinates and the principal terms of their employment contracts
- Approving the organisational structure and the key principles of incentive schemes
- Monitoring and evaluating the CEO's performance
- Deciding on other matters that are important in view of the size of the Group and that are not part of day-to-day operations, such as considerable expansion or contraction of business or other material changes to operations, the taking of long-term loans and the sale and pledging of fixed assets
- Deciding on other matters which, under the Limited Liability Companies Act, fall within the remit of the Board of Directors
- Performing the Audit Committee's duties referred to in recommendation 27 of the Corporate Governance Code

The Board of Directors regularly assesses its operations and working methods through self-evaluation once a year.

6.2 Meeting practices and information flow

The Board of Directors meets at regular intervals about 10 times during the term in accordance with a separate meeting schedule confirmed in advance by the Board, and when necessary. In 2015, the Board of Directors met thirteen (13) times. The average attendance of the members of the Board of Directors was 93%.

During the meetings of the Board of Directors, the CEO gives a review of the financial situation of the Group by business area. The review also covers forecasts, investments, organisational changes and other issues that are important for the Group.

The company shall provide the Board of Directors with sufficient information on the company's operations to enable the Board to properly perform its duties. The agenda of the meeting shall be delivered to the members of the Board of Directors at least one week before the meeting. The meeting material shall be prepared by the CEO and the secretary of the Board of Directors according to the instructions provided by the Chairman. The meeting material shall be delivered to the members at least three days before the meeting.

Composition of the Board of Directors

			
Name	Paavola Seppo, Chairman	Rantsi Jyrki, Deputy Chairman from 28 April 2015	Kaarto Esa
Year of birth	1962	1968	1959
Education	Agrologist (secondary school graduate)	Agrologist	MSc (Agr.)
Main occupation	Farmer	Farmer, piglet and pork producer	Farmer
Relevant work experience	• Agricultural entrepreneur 1996–present • Farm advisor, Rural Centre of Central Ostrobothnia 1991–1996	Agricultural entrepreneur	Farmer
Member of the Board since	2012	2013	2009
Current key positions of trust	• Supervisory Board of Itikka Co-operative, member 2000–present, Deputy Chairman 2008–2011 and Chairman 2012–present • Chairman of the Board of Directors of Kaustinen Co-operative Bank 2002–present • Member of the Board of Directors of Pellervo Confederation of Finnish Co-operatives 2012–present • Member of the Co-operative Advisory Committee 2012–present	• Deputy Chairman of the Board of Directors of Lihakunta 2013–present • Member of the Board of Directors of Finnpig Oy 2013–present • Vice Chairman of the Board of Directors of A-Farmers Ltd 2015–present	• Board of Directors of Itikka Co-operative, member 2002–present and Chairman 2009–present • Board of Directors of A-Farmers Ltd, member 2004– and Deputy Chairman 2009–present • Deputy Chairman of the Board of Directors of A-Rehu Oy 2009–present • Member of the Board of Directors of Oy Feedmix Ab 2009–present • Member of the Board of Directors of Kiinteistö Oy Rehukanava 2009–present • Chairman of the Board of Directors of Suurusrehu Oy 2009–present
Past key positions of trust	Supervisory Board of Atria Plc, member 2006–2009 and Deputy Chairman 2009–2012		
Independency	Dependent on the company and significant shareholders.	Dependent on the company and significant shareholders.	Dependent on the company and significant shareholders.
Share ownership in the company	3,700	700	1,100
Share-based rights in the company	None	None	None

			
Name	Komulainen Timo, Deputy Chairman until 28 April 2015	Moisio Jukka	Paxal Kjell-Göran
Year of birth	1953	1961	1967
Education	Agrologist	MSc (Econ.), MBA	Agrologist
Main occupation	Farmer	CEO of Huhtamäki Oyj	Farmer, piglet and pork producer
Relevant work experience	• Acquisition agent, Lihakunta 1979–1984 • positions of trust	• CEO of Huhtamäki Oyj 2009–present, • Ahlström Corporation 1991–2008 (various duties, latest position as CEO)	• Feed salesman, Oy Foremix Ab 1990–1997 • Primary Production Manager, Pohjanmaan Liha Co-operative 1990–1997
Member of the Board since	1993	2014	2012
Current key positions of trust	• Board of Directors of Jukola Co-operative, member 1984–present and Deputy Chairman 1995–present	• Member of the Supervisory Board of Finnish Fair Co-operative	• Board of Directors of Pohjanmaan Liha, deputy member 1999–2001, Deputy Chairman 2002–2009 and Chairman 2010–present • Board of Directors of A-Farmers Ltd, deputy member 2001–2002 and member 2003–present • Board of Directors of Oy Foremix Ab, member 2004–2009 and Chairman 2010–present • Member of the Board of Directors of A-Rehu Oy 2010–present • Chairman of the Board of Directors of Ab WestFarm Oy 2010–present
Past key positions of trust	• Board of Directors of Lihakunta, member 1988– and Chairman 1996–2015 • Board of Directors of A-Farmers Ltd, Deputy Chairman 2000–2003 and Chairman 2003–2015 • Chairman of the Board of Directors of A-Rehu Oy 2004–2015		Deputy member of the Board of Directors of the Central Union of Swedish-Speaking Agricultural Producers in Finland 1999–2001
Independency	Dependent on the company and significant shareholders.	Independent of the company and significant shareholders	Dependent on the company and significant shareholders.
Share ownership in the company	200	0	666
Share-based rights in the company	None	None	None

Name	Romanainen Maisa	Sivula Harri
Year of birth	1967	1962
Education	MSc (Econ.)	MSc (Admin.)
Main occupation	VR-Group Ltd, Senior Vice President of the Passenger Services	Managing Director of GS1 Finland Oy

Relevant work experience	• Stockmann Oyj Apb:
	  • Executive Vice President Director, Department Store Division, 2008–2014
	  • Director, Finnish and Baltic department stores, 2008
	  • Director, International Department Stores, 2005–2007
	  • Department Store Director, Tallinn, Estonia, 2000–2005
	  • Department Store Director, Moscow, Russia, 1998–2000
	  • Purchasing Manager, 1996–1997
	• Brio Oy, Product Manager and Purchasing Manager, among other duties, 1990–1996
		• CEO, Restel Ltd 2011–2014
		• CEO, Onninen Oy, 2006–2010
		• Executive Vice President, Kesko Corporation/Kesko Food, 1999–2006
		• Kesko Corporation, 1987–1999
		  • Sales Manager, Purchasing Manager
		  • Division Manager, Sales Director
		  • Director of Marketkesko
		  • Director of Lähikesko
		  • Director, Retail Division

Member of the Board since	2010	2009
Current key positions of trust	• Member of the Board of Directors of the Finnish-Russian Chamber of Commerce 2012–present	• Chairman of the Board of Directors of Tokmanni Oy 2011–present • Member of the Board of Directors of Leipurin Oyj 2014–present • Member of the Board of Directors of Makua Foods Ltd 2015–present
Past key positions of trust	• Deputy member of the Board of Directors of the East Office of Finnish Industries 2008–2015 • Member of the Board of Directors of Tuko Logistics Co-operative 2009–2014 • Member of the Board of Directors of the Finnish Grocery Trade Association 2008–2014	• Member of the Board of Directors of Olvi Oyj 2007–2011 • Member of the Board of Directors of Norpe Oy 2010–2013 • Member of the Board of Directors of Leipurin Oyj 2010–2013 • Member of the Supervisory Board of Nets 2011–2013
Independency	Independent of the company and significant shareholders	Independent of the company and significant shareholders
Share ownership in the company	0	10,000
Share-based rights in the company	None	None

The members of the Board of Directors are obliged to provide the Board with sufficient information to assess their skills and independency and to notify the Board of any changes to the information.

7. Board Committees

The Board of Directors may set up committees to handle duties designated by the Board. The Board shall approve the rules of procedure for the committees.

The Board of Directors has one board committee: Nomination and Remuneration Committee. The Board of Directors appoints the members of the committee from among its members according to the rules of procedure of the committee. The Committee has no autonomous decision-making power. The Board of Directors makes decisions on the basis of the Committee`s preparations and proposals. The committee shall regularly report to the Board of Directors which supervises the operation of the Committee.

The Nomination and Remuneration Committee consists of the Chairman, Deputy Chairman and one member of the Board of Directors elected by the Board itself. As an exception to the recommendation 29 one member of the total 3 members of the Nomination and Remuneration Committee is independent of the company. The chairman of the Board of Directors and the Deputy Chairman of the Board of Directors are nominated as members of the Nomination and Remuneration Committee in accordance to the shareholder agreement of the Lihakunta and Itikka Co-operative. According to the recommendations 29 and 30 of the Corporate Governance Code, the company CEO, the members of the Board of Directors who belong to the Company`s management shall not be elected as members of to the Nomination and Remuneration Committee.

The aim of the Nomination and Remuneration Committee is to prepare the CEO`s and Deputy CEO`s as well as the management`s terms of employment to ensure the objectivity of decision-making, enhance the achievement of company`s goals through bonus schemes, increase the company's value and ensure that bonus schemes are transparent and systematic. The aim of the Nomination and Remuneration Committee is also to ensure that the merit pay systems are connected with the company's strategy and results obtained.

According to the rules of procedure, the duties of the Nomination and Remuneration Committee are as follows:
- Making the preparations for the nomination of the CEO and Deputy CEO;
- Making preparations to search for successors to the CEO and Deputy CEO
- Preparing the terms of employment of the CEO and Deputy CEO and bringing them before the Board of Directors
- Preparing the remuneration, fees and other employment benefits of the directors that report to the CEO and bringing them before the Board of Directors
- Preparing the forms and criteria of the bonus and incentive schemes of top management and bringing them before the Board of Directors
- Preparing the content and group assignments of the pension programmes of the company's management and bringing them before the Board of Directors
- Submitting its statement on the bonus arrangements for the entire personnel before their approval and assessing their functionality and the achievement of the systems' goals
- If required, discussing possible interpretation problems related to the application of the approved bonus schemes and recommending a solution
- If required, reviewing information to be published in the financial statements and, where applicable, in other bonus-related documents
- Performing other duties separately assigned to it by the Board of Directors.

The Chairman of the Nomination and Remuneration Committee shall convene the Committee as needed. At the meetings, the matters belonging to the duties of the Committee are discussed. The Nomination and Remuneration Committee may invite other people to join its meetings if deemed necessary and may use external experts to assist the Committee in fulfilling its duties.

The Chairman of the Nomination and Remuneration Committee is Seppo Paavola and the other members are Jyrki Rantsi and Harri Sivula. Seppo Paavola and Jyrki Rantsi are dependent of the company and of significant shareholders. Harri Sivula is independent of the company and of significant shareholders. In 2015, the Nomination and Remuneration Committee met 6 times and the average attendance of the members was 100%.

As noted in section 4 above, Atria Plc's General Meeting has established a separate Nomination Board to prepare proposals concerning the election and remuneration of the members of the Board of Directors as well as the remuneration of the members of the Supervisory Board for the next Annual General Meeting.

8. CEO

The company has a CEO in charge of managing the company's operations in accordance with the instructions and orders issued by the Board of Directors, as well as informing the Board of Directors of the development of the company's operations and financial performance. The CEO also sees to the organisation of the company's day-to-day administration and ensures reliable asset management. The CEO is appointed by the Board of Directors, which decides on the terms of his or her employment.

Since March 2011, Atria Plc's CEO has been Juha Gröhn, MSc (Food Sc.).

9. Management Team

Atria Group has a Management Team chaired by the CEO. The Management Team assists the CEO in planning the operations and is operational management. The duties of the Management Team include among others preparing strategic plans and putting them into practice, handling significant projects and organisational changes as well as reviewing and implementing the Group's risk management measures in their respective areas of responsibility.

In 2015, the Management Team met twelve (13) times.

Atria Group's Management Team consists of the following members:

Name	Born	Joined Atria in	Education	Position	Share ownership
Juha Gröhn	1963	1990	MSc (Food Sc.)	CEO	18,500
Heikki Kyntäjä	1952	2009	MSc (Econ.)	CFO, Deputy CEO	1,000
Mika Ala-Fossi	1971	2000	Meat industry technician	Executive Vice President Atria Finland	940
Tomas Back	1964	2007	MSc (Econ.)	Executive Vice President Atria Scandinavia	1,880
Olle Horm	1967	2012	Engineer	Executive Vice President Atria Baltic	0
Jarmo Lindholm	1973	2002	MSc (Econ.)	Executive Vice President Atria Russia	1,020

10. Remuneration

Atria Plc has prepared a Remuneration Statement in accordance with recommendation 47 of the Corporate Governance Code (2010). The statement is available on the company's website at www.atria.com under Investors.

11. Internal control, risk management and internal audit

Internal control is a process under the responsibility of the company's top management. It aims to ensure that the company can achieve its goals. The operating principles of internal control are confirmed by the company's Board of Directors. Atria's internal control includes risk management and internal audit. The purpose of internal control is to ensure that Atria's operations are efficient and in line with the company's strategy, all financial and operational reports are reliable, the Group's operations are legal and the company's internal principles and codes of conduct are complied with.

11.1 Risk management at Atria

The objective of risk management is to support the realisation of Atria's strategy and the achievement of targets, to prevent unfavourable events from occurring and to safeguard business continuity. Atria's risk management operations are guided by the Risk Management Policy, approved by the Board of Directors, which specifies risk management goals, principles, responsibilities and powers, together with the principles of risk assessment and reporting.

Risk management at Atria is systematic and dynamic, and supports the continuous development of the organisation. It is based on a uniform model for risk identification, assessment and reporting in all business areas and Group administration, and forms an integral part of the annual planning process. In risk assessment, a risk management plan is drawn up for managing the risks identified.

Atria defines risk as the effect of uncertainty on the company's objectives. Risks can cause positive or negative deviations from the objectives. Risks may be caused by events within Atria or external conditions or events. For reporting purposes, Atria's risks are divided into four categories: strategic risks, operational risks, hazard risks, and financial risks.

Management team

Name	Juha Gröhn, CEO	Mika Ala-Fossi, Executive Vice President, Atria Finland	Jarmo Lindholm, Executive Vice President, Atria Russia
Joined Atria in	1990	2000	2002
Year of birth	1963	1971	1973
Education	MSc (Food Sc.)	Meat industry technician	MSc (Econ.)
Relevant work experience	• CEO, Atria Plc 2011– • Executive Vice President, Atria Scandinavia, Deputy CEO, Atria Plc 2010–2011 • Executive Vice President, Atria Finland Ltd, Deputy CEO, Atria Plc 2006–2010 • Director, Meat Industry, Vice Managing Director, Atria Ltd 2004–2006 • Director, Steering, Vice Managing Director, Atria Ltd 2003–2004 • Director, Meat Product and Convenience Food Industries, Atria Ltd 1999–2003 • Director, Slaughterhouse Industry, Atria Ltd 1993–1998 • R&D Manager, Itikka-Lihapolar 1991–1993 • Foreman, Lihapolar 1990–1991	• Executive Vice President, Atria Finland, 2011– • Director, Convenience Food and Meat Product Business 2007–2011 • Director, Poultry Business, Atria Finland 2006–2007 • Production Manager, Atria Ltd 2003–2006 • Unit Manager, Atria Ltd 2000–2003 • Foreman, Liha-Saarioinen Oy 1997–2000	• Executive Vice President, Atria Russia 2011– • Group Vice President, Product Leadership, Atria Plc 2010–2011 • Group Vice President, Product Group Management and Product Development, Commercial Director, Atria Finland Ltd 2005–2010 • Marketing Manager, Atria Ltd 2002–2005 • Account Manager, Marketing Manager, AC Nielsen 2000–2002 • Customer Service Manager & e-Business, Unilever Finland 1998–2000

Name	Tomas Back, Executive Vice President, Atria Scandinavia	Olle Horm, Executive Vice President, Atria Baltic	Heikki Kyntäjä, CFO, Executive Vice President and Deputy CEO
Joined Atria in	2007	2012	2009
Year of birth	1964	1967	1952
Education	MSc (Econ.)	Engineer	BSc (Econ.)
Relevant work experience	• Executive Vice President, Atria Scandinavia 2011– • Executive Vice President, Atria Baltic 2010–2011 • CFO, Atria Plc 2007–2011 • CFO, Huhtamäki Americas / Rigid Europe 2003–2007 • Financial Manager/CFO, Huhtamäki Oyj 1996–2002 • Financial Manager, Huhtamäki Finance Oy, Lausanne 1990–1995	• Executive Vice President, Atria Baltic 2012– • Chairman of the Board, Maag Meat Industry 2009–2012 • Chairman of the Board, Skanska EMV AS 2008–2009 • Chairman of the Board, Rakvere Lihakombinaat AS 2000–2008 • Head of transportation and equipment department, EMV AS 1998–1999 • Management and development duties, EK AS 1992–1998	• CFO, Atria Plc 2011– • Finance Director, Atria Finland Ltd 2009–2011 • VP Supply Management, ABB Oy, Lowvoltage instruments 2008–2009 • VP Finance & Control, ABB Oy, Lowvoltage instruments 2001–2008 • VP Finance & Control, ABB Transmit Oy 1995–2000 • VP Finance & Control, ABB Strömberg Sähkönjakelu Oy 1991–1995 • Business Controller, ABB Motors Oy 1988–1990 • Business Controller, Stromberg Inc., Cleveland, OH, USA 1986–1988 • Financial Manager, Hackman Taloustavarat Oy 1978–1986 • Auditor, finance department, General Motors Finland 1976–1978

Organisation and responsibilities of risk management
The Board of Directors approves the Risk Management Policy and any changes to it, and supervises the implementation of the principles specified in the policy. The Group's CEO is responsible for the appropriate organisation of risk management at Atria, and the CFO sees to the development of the risk management and risk reporting framework.

The members of the Group's Management Team are responsible for identifying and assessing strategic risks and for implementing risk management in their respective areas of responsibility. The management teams of the business areas are responsible for identifying and assessing risks and for implementing risk management in their business areas. The directors of the business areas ensure that the management teams fulfil their risk management and risk reporting responsibilities.

The Group's Treasury Committee is responsible for identifying and assessing financial risks and for implementing risk management throughout the Group. When preparing an annual plan for internal audit, key observations from the risk assessments made as part of the Group's planning process are taken into account. Every Atria employee is responsible for identifying and assessing risks associated with their work and any other risks that they encounter, and for drawing attention to and preventing such risks.

Major risks and uncertainties that the Board of Directors is aware of are discussed in more detail in the report by the Board of Directors under "Risk management at Atria".

11.2 Internal audit

Atria's Group Control function handles internal audits in collaboration with an external service provider. An audit plan is drawn up annually for internal audit and approved by the Board of Directors. The annual priority areas of the audit plan are affected by risk management, issues identified as part of the Group's internal reporting, goals related to improving the quality and efficiency of the operations, and current issues in the company's business environment. Where necessary, internal audit also conducts separate studies commissioned by the Board of Directors or the Group's management.

Internal audit ensures and evaluates the functioning of the internal control system, the relevance and efficiency of the activities, and compliance with guidelines. It also aims to promote the quality of the operations and process, ensure the achievement of Atria's targets, support the development of risk management practices, and highlight best practices and opportunities in various functions.

Internal audit assesses the following areas:
- Accuracy and adequacy of financial information
- Compliance with operating principles, codes of practice and regulations
- Protection of property against losses
- Cost-efficiency and effectiveness of the use of resources
- Implementation of changes
- Opportunities provided by various practices and the utilisation of best practices

The results of internal auditing are documented and discussed with the audited area of operation and Group management. A summary of the audit results is presented to the Board of Directors at least once a year. Regular discussions are held with the auditor in order to ensure that the audit activities cover a sufficiently wide range of operations and to avoid overlapping activities.

12. Auditing

In accordance with the Articles of Association, the company shall have at least one (1) and no more than four (4) regular auditors; the number of deputy auditors shall not exceed this. The auditors and deputy auditors shall be public accountants or firms of independent public accountants authorised by the Central Chamber of Commerce of Finland. The term of service of the auditors shall end at the conclusion of the Annual General Meeting following their election.

The auditor provides Atria's shareholders with an Auditor's Report document in accordance with the law, in conjunction with the company's financial statements, and reports regularly to the Board of Directors and management. The auditor participates in a Board meeting at least once a year, on which occasion a discussion of hte audit plam and the results of auditing is arranged.

In 2015, Atria Plc's Annual General Meeting elected PricewaterhouseCoopers Oy, a firm of authorised public accountants, 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 Juha Wahlroos. The remuneration is paid to the auditor according to an invoice accepted by the company.

Auditor's remuneration for the 2015 accounting period
In 2015, the Group paid a EUR 355,000 in auditor's remuneration to PricewaterhouseCoopers Ltd. The whole Group paid a total of 64,000 euros for sevices not related to auditing.

13. Insider policy

Atria complies with Nasdaq Helsinki Ltd's Guidelines for Insiders that entered into force 1 December 2015. Atria's Board of Directors has confirmed the insider guidelines for the company, which include instructions for permanent and project-specific insiders. The company's guidelines have been distributed to all insiders and they are available at company's intranet.

The insider registers are maintained in cooperation with Euroclear Finland Oy. The company's legal department and CFO monitor compliance with the insider guidelines. The company has limited insiders' right to trade in the company's shares in the 14 days preceding the publication of the company's interim reports and financial statements. In addition to the public insider register, there is a separate register of other permanent insiders, maintained by the legal department, and there are also project-specific registers wherein insider information is recorded by project.

14. Communications

The aim of Atria's investor reporting is to ensure that the market has correct and sufficient information available at all times to determine the value of Atria's shares. An additional aim is to provide the financial markets with comprehensive information to enable active participants in the capital markets to form a justified image of Atria as an investment.

Silent period
Atria has established a silent period for its investor relations communications of three weeks prior to the publication of interim reports and annual reports. During this period, Atria gives no statements on its financial status.

Investor information
Atria publishes financial information in real time on its website at www.atria.com. The site contains annual reports, interim reports and press and stock exchange releases. The company's largest shareholders and insiders are regularly updated on the website, along with details on their holdings. The disclosure policy approved by Atria's Board of Directors describes the key principles and procedures followed by Atria as a listed company in its communications with the media, capital markets and other stakeholders. Atria's disclosure policy is available in its entirety on the company's website at www.atria.com under Investors.

Remuneration statement

This remuneration statement of Atria Plc ("Atria" or the "company") is the statement referred to in recommendation 47 of the Corporate Governance Code.

1. Remuneration of the members of the Supervisory Board

The Annual General Meeting decides on the remuneration of the members of the Supervisory Board. The remuneration paid to the Supervisory Board in 2015 was as follows:

- Meeting compensation: 250 euros/meeting
- Compensation for loss of working time: 250 euros for meeting and assignment dates
- Fee of the Chairman of the Supervisory Board: 3,000 euros/month until 30th of April 2015 and 1,500 euros/month from 1st of May 2015 according to the decision of the Annual General meeting held on 28th of April 2015.
- Fee of the Deputy Chairman of the Supervisory Board: 1,500 euros/month until 30th of April 2015 and 750 euros/month from 1st of May 2015 according to the decision of the Annual General meeting held on 28th of April 2015.
- Travel allowance according to the Company`s travelling policy .

The members of the Supervisory Board have no share incentive plans or share-based bonus schemes.

In 2015, the monthly and meeting fees paid to the members of the Supervisory Board for participating in the work of the Supervisory Board (including fees for work performed in other companies within the same Group) were as follows:

Name	Work of the Supervisory Board	Benefits from Group companies	Total (EUR)
Hannu Hyry, Chairman	27,250		27,250
Anttikoski Juho, Deputy chairman	15,500		15,500
Asunmaa Mika	2,000		2,000
Flink Reijo	1,000		1,000
Haarala Lassi Antti	1,750		1,750
Hantula Jussi	2,000		2,000
Holm Henrik	2,000	2,100	4,100
Hyttinen Veli	2,000	7,400	9,400
Ingalsuo Pasi	2,000	3,300	5,300
Juuse Marja-Liisa (from 28 April 2015)	2,500		2,500
Kaikkonen Jukka	2,250		2,250
Kiviniemi Juha	1,500		1,500
Korhonen Pasi	2,000		2,000
Lajunen Ari	2,250		2,250
Niku Mika	2,000	2,400	4,400
Ojala Pekka	3,000		3,000
Panula Heikki	1,750		1,750
Ritola Ahti	2,000		2,000
Sairanen Risto	2,000		2,000
Tuhkasaari Timo	2,000		2,000
TOTAL	78,750	15,200	93,950

2. Remuneration of the members of the Board of Directors

The Annual General Meeting decides on the remuneration of the members of Atria's Board of Directors. Remuneration is handled in the form of monetary compensation. The members have no share incentive plans or share-based bonus schemes. The principles governing the remuneration of the CEO are set out in a different section.

The remuneration paid to the Board of Directors in 2015 was as follows:

- Meeting compensation: 300 euros/meeting.
- Compensation for loss of working time: 300 euros/meeting and assignment date
- Fee of the Chairman of the Board of Directors: 4,400 euros/month
- Fee of the Vice Chairman of the Board of Directors: 2,200 euros/month
- Fee of members of the Board of Directors: 1,700 euros/month
- Travel allowance according to the Company`s travelling policy

In 2015 monthly fees and meeting fees paid to the members of the Board of Directors for participating in the procedures of the Board of Directors (including being a member of the Board of another company that is part of the same Group) were the following:

Name	Position	Board of Directors and committee work	Benefits from Group companies	Total (EUR)
Seppo Paavola	Chairman	68,400		68,400
Jyrki Rantsi	Deputy Chairman	37,000	8,900	45,900
Esa Kaarto	Member	31,500	29,500	61,000
Jukka Moisio	Member	22,800		22,800
Kjell-Göran Paxal	Member	29,100	5,100	34,200
Timo Komulainen	Member	34,700	9,700	44,400
Maisa Romanainen	Member	22,800		22,800
Harri Sivula	Member	27,300		27,300
TOTAL		273,600	53,200	326,800

In accordance with the proposal at the Nomination Board the Annual General Meeting 2015 decided to keep the fees and compensation of the members of the Board of Directors unchanged.

3. Bonus scheme for the CEO and other management

The bonus scheme for Atria Plc's management consists of a fixed monthly salary, merit pay and pension benefits. The company has no share incentive plan or option scheme in place.

Atria Plc's Board of Directors decides on the remuneration, other financial benefits and criteria applied in the merit pay system for the Group's CEO and Management Team, as well as the merit pay principles used for other management members.

The directors of each business area and the Group's CEO decide on the remuneration of the members of the management teams of the various business areas according to the one-over-one principle. The merit pay systems for the management teams of business areas are approved by the Group's CEO.

The retirement age for the CEO is 63 years. However, the CEO has the right to retire at age 60. The pension arrangement is payment-based and the amount of pension is based on the CEO's annual earnings at Atria Group as specified by the Board of Directors. The earnings include monetary salary and fringe benefits without cash payments of incentive schemes.

According to the CEO's contract, the period of notice is six (6) months for both parties. If the company terminates the contract, the CEO is entitled to the salary for the period of notice and severance pay, which together correspond to 18 months' salary. There are no terms and conditions for any other compensation based on termination of employment.

Incentive plans for management and key personnel

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

All payments under the plan for the earning period 2015–2017 are based on the Group's earnings per share (EPS) excluding extraordinary items. Bonuses earned during the period will be paid in instalments in the coming years. Cash rewards payable under the plan for the entire 2015–2017 earning period are capped at EUR 4.5 million. The plan ends on 31st of December 2017 and covers a maximum of 45 people.

3.1.2 Short-term incentive plan
The maximum bonus payable of Atria Plc's short-term incentive plan is 35% to 50% of annual salary, depending on the performance impact and requirement level of each individual's role. 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 schemes cover approximately 40 people.

3.1.3 Pension benefits
Managerial group pension benefits confirmed by Atria's Board of Directors have been arranged for the members of Atria Group's Management Team who are covered by Finnish social security. The retirement age of the group pension insurance is 63 years for the members of the Management Team. The retirement age determined in the insurance agreement can be changed if the earnings-related pension legislation is changed. However, the Management Team has the right to retire at the age of 60. The pension plan is payment-based, and the pension is based on the insured's annual earnings (monetary salary and fringe benefits) as specified by the Board of Directors.

The financial benefits paid to the CEO and the Management Team in 2015 were as follows:

	Salaries	Merit pay	Fringe benefits	Supplementary pension contributions	Total (EUR)
CEO Juha Gröhn	486,670	126,953	17,478	138,502	769,603
Deputy CEO Heikki Kyntäjä	210,015	38,479	15,086	28,419	292,000
Muu johtoryhmä	1,000,807	196,794	27,190	97,766	1,322,557
TOTAL	1,697,492	362,226	59,754	264,687	2,384,160

3.1.4 Share incentive plan
Atria Plc has not any share incentive plan or stock option scheme.

Investor reporting

The aim of Atria's investor reporting is to ensure that the market has at all times correct and sufficient information available to determine the value of Atria's share. In addition the aim is to provide the financial markets with versatile information, based on which those active in the capital markets can form a justified image of Atria as an investment object.

Atria has determined a silent period in its investor relation communication that is three weeks prior to the publication of interim and annual reports. During this period Atria gives no statements on its financial status.

Investor information

Atria publishes financial information in real time on its web pages at www.atria.com. Here you can find annual reports, interim reports and press and company announcements. The company's largest shareholders and insiders as well as their holdings are updated regularly to the web pages.

Stock exchange releases

Atria Plc published a total of 17 company announcements in 2015. The releases can be found on the Atria Group website www.atria.com.

Disclosure policy

The disclosure policy approved by the Atria Board of Directors describes the key principles followed by Atria as a listed company in its communications with the capital markets and other stakeholders. The disclosure policy is available in full on the company's website.

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