Atria Group Plc

Good food - better mood.

Annual Report 2006

BALTIC STRATEGY

Atria Group aims to achieve growth based on its Baltic strategy, through which the Group strives to become the leading meat processing and meal solution company in the Baltic region. In connection with the Business Area reviews in this Annual Report, light is shed on the strategy and its challenges from the point of view of the various Group functions.

"Good food – better mood." is Atria Group's mission approved in 2006. It is also the visual theme of this Annual Report.

Atria Group's financial year 2006

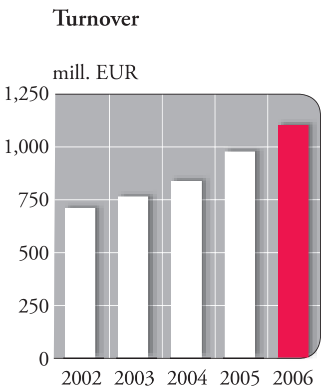
Reviews of operations

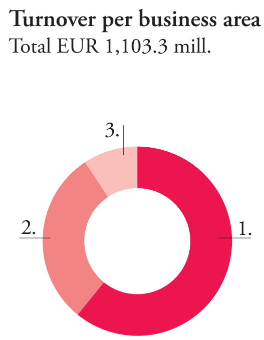
Financial statements and annual report

Administration and organisation

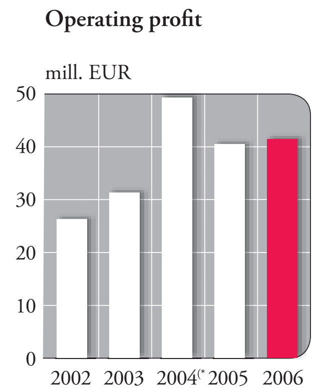
FINANCIAL SUMMARY

The key indicators for 2002–2003 have been calculated according to FAS, and for 2004–2006 according to IFRS.





1. Atria Finland 60%
2. Atria Sweden 30%
3. Atria Russia and Baltic 10%



**) Comparable indicators adjusted by the TEL pension items in accordance with IAS/IFRS transition rules*

Financial development

Atria Group

Atria Group's turnover grew considerably more than the average growth of the market. The Group's profit level was slightly below the 2005 level, due to the weak profit of the Atria Russia and Baltic business area.

- The Group's turnover increased by 12.9 per cent to EUR 1,103.3 million.
- Operating profit amounted to EUR 41.5 million (EUR 40.2 million in 2005).
- Comparable operating profit amounted to EUR 33.5 million (EUR 40.2 million).
- Profit before tax was EUR 34.6 million (EUR 37.8 million).
- Earnings per share amounted to EUR 1.15 (EUR 1.24).

Atria Finland

Atria Finland's sales and market shares developed in a positive direction. The company's share of production reached almost 30 per cent in 2006. Atria Group is the clear market leader in its share of production in Finland.

- The company's turnover amounted to EUR 686.1 million (EUR 634.3 million in 2005).
- Operating profit amounted to EUR 33.4 million (EUR 31.6 million).
- Comparable operating profit amounted to EUR 31.6 million (EUR 31.6 million).

Atria Sweden

Atria Sweden's sales grew through both organic growth and corporate acquisitions. Profitability improved, particularly towards the end of the year.

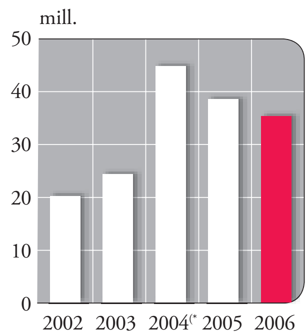
- The company's turnover amounted to EUR 336.4 million (EUR 314.0 million in 2005).
- Operating profit amounted to EUR 15.1 million (EUR 7.1 million).
- Comparable operating profit amounted to EUR 7.4 million (EUR 7.1 million).

Atria Russia and Baltic

Atria Group's growth in the St. Petersburg economic area continued, in parts stronger than anticipated. Pit-Product's position as the region's market leader was consolidated. Due to significant non-recurrent cost items related to the takeover process, the net profit for the year remained in the red for the entire Atria Russia and Baltic business area.

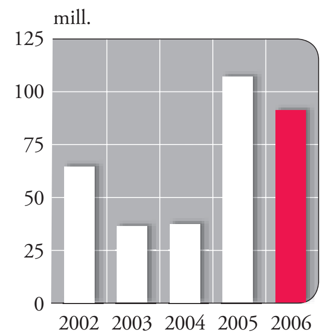
- The company's turnover amounted to EUR 104.6 million (EUR 42.7 million in 2005).
- Operating loss was EUR –7.0 million (operating profit EUR 1.5 million).
- Comparable operating loss was EUR –5.5 million (operating profit EUR 1.5 million).

Profit before tax

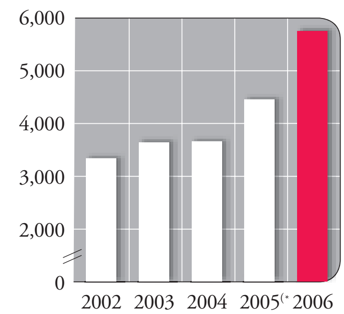


) Comparable indicators adjusted by the TEL pension items in accordance with IAS/IFRS transition rules

Gross investments in fixed assets



Average personnel



**) The subsidiary Pit-Product is part of the Group since October 2005*

Changes in the Group structure

- The Group organisation was revised. The Group replaced the autonomous country-specific organisations with a shared operating concept, and a management group was established.
- The Group was divided into three independently accountable business areas: They are Atria Finland, Atria Sweden and Atria Russia and Baltic.
- The operations of AS Valga Lihatööstus (Estonia) and UAB Vilniaus Mesa (Lithuania) were merged into a joint Baltic business unit.
- Atria Group's ownership interest in A-Farmers Ltd. increased from 5.4 per cent to 97.9 per cent.

Major production investments

- The Group decided to build a new logistics centre and meat product plant in St. Petersburg. The total value of the project is approximately EUR 70 million.
- The EUR 37 million second phase of the Nurmo logistics centre progressed. The centre was brought into use at the beginning of 2007.
- The Group's investments totalled EUR 89.0 million (EUR 107.3 million in 2005).

KEY INDICATORS 2006	2006	2005	Change, %
Turnover, EUR million	1,103.3	976.9	+12.9
Operating profit, EUR million	41.5	40.2	+3.2
% of turnover	3.8	4.1	
Profit before tax, EUR million	34.6	37.8	-8.5
Gross investments, EUR million	89.0	107.3	-17.1
% of turnover	8.1	11.0	
Equity ratio,%	42.8	43.0	
Average personnel	5,740	4,433	+29.5

Annual General Meeting

Atria Group Plc's shareholders are invited to the Annual General Meeting (AGM) to be held at the company's premises in Kuopio on Thursday, 3 May 2007, starting at 2pm. The address is Ankkuritie 2, 70460 Kuopio, Finland. The invitation to the Annual General Meeting is presented on page 32.

Financial reporting in 2007

In addition to the 2006 financial statement bulletin and this Annual Report, Atria Group Plc will publish three interim reports in 2007. The publication dates are 27 April, 10 August and 8 November.

All Group information for investors and other important financial information will be published in real time on the company website at www.atria.fi.

KEY EVENTS IN 2006

Matti Tikkakoski is appointed President and CEO of the Group.

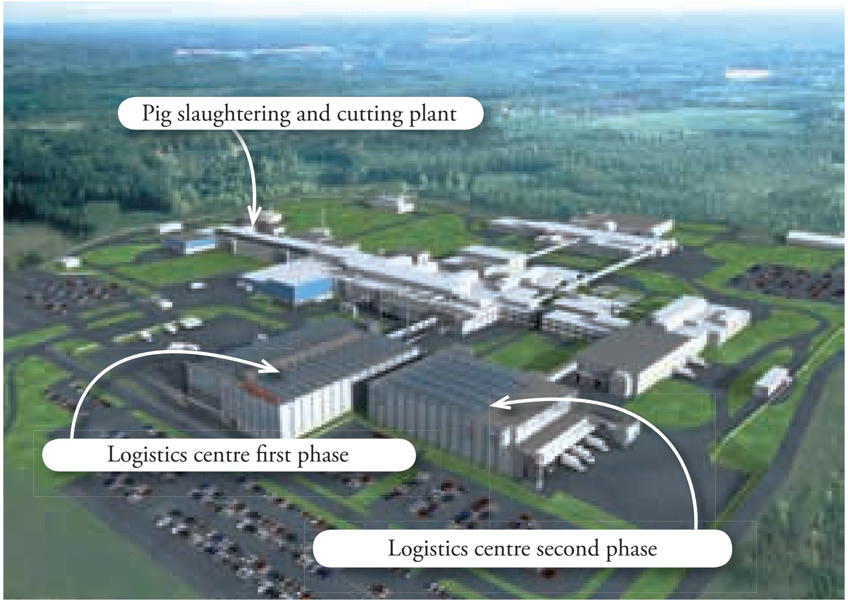
Atria Concept expands
Atria Concept AB expands to the St. Petersburg economic area. » *page 17*

Interim report 1–3/06
- Turnover: EUR 244.9 million (EUR 221.7 million, Q1 2005), growth 10.5%
- Operating profit: EUR 4.5 million (EUR 6.3 million)

JANUARY

FEBRUARY

MARCH



Atria Group's Nurmo production plant

Domestic investments increase efficiency of production
One of Europe's most modern pig slaughtering facilities is inaugurated at Atria's Nurmo plant. The new pig slaughterhouse doubles the slaughterhouse capacity to 600 pigs per hour. The approximately EUR 22 million investment brings cost savings, promotes slaughter hygiene and improves animal wellness and meat quality. » *page 13*

Pit-Product ten years old
Atria Group's Russian subsidiary turns ten. During the anniversary year the company is investing heavily in strengthening the brand among both consumers and trade.

Logistics centre progresses
The EUR 37 million second phase of the Nurmo logistics centre is progressing according to plan. The centre will be inaugurated in spring 2007. » *page 14*

Interim report 1–9/06
- Turnover: EUR 805.0 million (EUR 717.0 million), growth 12.3%
- Operating profit EUR 23.7 million (EUR 29.8 million)

JULY

AUGUST

SEPTEMBER

Liha ja Säilyke Oy and Atria Oy operations integrated
The overlapping operations of Group companies Liha ja Säilyke Oy, F-logistiikka Oy and Atria Oy are integrated and reorganised as Atria Oy's new Meal Industry business unit. » *page 14*

Svensk Snabbmat expands in Sweden
Atria Group company Svensk Snabbmat för Storkök AB, which specialises in local wholesale operations, strengthens its position in the Swedish market. The company acquires all Matgruppen för Storkök i Norr AB's wholesale outlets. » *page 18*

Raimo Kirmanen, Director, Atria Baltic is appointed Managing Director of AS Valga Lihatööstus and UAB Vilniaus Mesa.

Increased efficiency in Baltic operations
Atria Group's operations in Estonia and Lithuania are integrated into a joint Baltic business operation. » *page 22*

Operating concept and organisation are renewed
Atria Group replaces country-specific organisations with a shared operating concept. The aim is to clarify budget responsibilities, increase customer and consumer orientation, speed up decision-making and integrate international operations more closely with the Group's strategy. » *page 72*

Interim report 1–6/06
- Turnover: EUR 523.3 million (EUR 468.8 million), growth 11.6%
- Operating profit: EUR 11.0 million (EUR 15.9 million)

APRIL

MAY

JUNE

Christer Åberg is appointed Managing Director of Lithells AB.

New strategy assembles Baltic Sea region decision-makers
One hundred of Atria's decision-makers from five countries assemble in Tuusula, Finland, for the Group's strategy conference. The participants discuss the Group's Baltic strategy and learn about the new operating concept, organisation and business operation goals.

Länsi-Kalkkuna Oy is established
Finland's largest turkey meat processing companies, Atria Group and HK Ruokatalo establish a new, joint turkey meat production company, Länsi-Kalkkuna Oy. The company is owned on a 50–50 basis. » *page 14*

Juha Ruohola, Director, Atria Russia and Baltic is appointed Managing Director of Pit-Product.

Financial Statements 1–12/06
- Turnover: EUR 1 103.3 million (EUR 976.9 million), growth 12.9%
- Operating profit EUR 41.5 million (EUR 40.2 million)

OCTOBER

NOVEMBER

DECEMBER

Major investments double production in St. Petersburg
Atria Group decides to build a logistics centre and a new meat product plant in St. Petersburg by the end of 2008. » *page 21*

Seija Pietilä is appointed Group Director of Human Resources.

Grip on value chain strengthens
Atria Group acquires nearly the entire share capital of A-Farmers Ltd. The deal streamlines the meat buying chain and strengthens the competitiveness of the entire production chain.

Atria Group Plc

Atria Group is a powerfully internationalising Finnish food industry company. Our brand names are Atria, Duke's, Forssan, Lithells, Sibylla, Grillköket, Pit-Product, Maks & Moorits and Vilniaus Mesa.

Atria Group is Finland's biggest meat industry company and one of the leading industry players in the Nordic countries, Russia and the Baltic region. The Group has a turnover of EUR 1,103 million (turnover in 2006).

Atria Group employs some 5,740 people in five countries. Atria Group is divided into three accountable business areas. They are Atria Finland, Atria Sweden as well as Atria Russia and Baltic.

The Group's largest production companies include Atria Oy and Liha ja Säilyke Oy (Atria Finland), Atria Lithells AB (Atria Sweden), OOO Pit-Product (Atria Russia), AS Valga Lihatööstus and UAB Vilniaus Mesa (Atria Baltic).

Listed on the Helsinki Exchanges, Atria Group Plc's roots go back to 1903, when its oldest owner co-operative was founded.

GROUP

Atria Group Plc

- Atria Group Parent Company
- turnover EUR 1,103 million
- staff average 5,740

Group Functions
- Group Management
- Primary Production
- Quality and Product Safety
- Marketing and Product Development
- International Accounts
- Steering Functions, Information Management and Logistics
- Finance and Administration
- Purchasing and Investments
- Human Resources

Support Functions
- Communications
- Internal Audit

BUSINESS AREAS

Atria Finland

- turnover: EUR 686.1 million
- share of Group operations: 60 per cent
- personnel: 2,325

Largest production companies:
Atria Oy
- industries: meat industry, meat product industry, meal industry and poultry industry

Liha ja Säilyke Oy
- industries: salad and meal industry

Atria Sweden

- turnover: EUR 336.4 million
- share of Group operations: 30 per cent
- personnel: 1,206

Production companies:
Atria Lithells AB
- industries: meat product and meal industry

Atria Concept AB
- industry: fast-food business

Svensk Snabbmat för Storkök AB
- industry: local wholesale operations

Atria Russia and Baltic

- turnover: EUR 104.6 million
- share of Group operations: 10 per cent
- personnel: 2,209

Production companies:
Russia:
OOO Pit-Product
- industry: meat and meat product industry

Baltia:
AS Valga Lihatööstus (Estonia), UAB Vilniaus Mesa (Lithuania)
- industry: meat and meat product industry

BRANDS

PRODUCT AREAS

Meat industry
- pork
- beef
- marinated products
- oven-ready products
- by-products

Poultry industry
- chicken and turkey products

Meat product industry
- sausages
- whole meat products
- aspics

Meal industry
- ready meals
- precooked minced meat products
- casseroles
- bakery products
- pancakes and pizzas
- restaurant and catering products
- ready-made salads
- HMR meals

Fast Food concept business
- Sibylla is Inside
- Grab'n Go
- Sibylla, Grillköket

CUSTOMER GROUPS

Retail trade
- In Finland, Sweden, Lithuania, Latvia, Estonia and Russia

HoReCa
- In Finland and Sweden
- public administration, hotels and restaurants, cash-and-carry businesses, kiosks, restaurants on wheels and fast food chains

Industry
- In Finland and the international market

Fast Food concept customers
- In Finland, Sweden, the Baltic Countries, Poland, Denmark, Russia, Czech Republic and Slovakia

ECONOMIC OBJECTIVES

- Operating profit 5%
- Equity ratio 40%
- International operations 50%
- Return on equity (ROE) 12%
- Distribution of dividends 50% of the profit of the period

The Group's Board of Directors published the objectives in August 2006.

VISION

STRATEGY

VALUES

MISSION

Atria is a leading international company in meat processing and meal solutions in the Baltic Sea region.

Knowledgeable, international personnel and organisation – the best in the business.

Joint, international business model throughout the entire Group, without any country or function-specific limits.

The best consumer knowledge in our business

Developer of innovative and consumer-focused products, operating models and concepts.

Managing and implementing an unequalled fresh product process

Internal and external networking throughout the entire value chain.

Creating the best forms of co-operation with our customers

Developer of innovative, productive operating models throughout the entire value chain.

Atria's profitability and forerunner in our business

Consumer and customer focus

Individual and co-operative competence

Networking and team skills

Cost efficiency

Good food – better mood.

A year of strong growth and investments

Atria Group Plc had a successful year 2006. The Group reached its key targets for the year, which included:

- **the successful takeover of the Group's Russian subsidiary, Pit-Product**
- **improved profitability, particularly in the Atria Sweden and Atria Russia operations**
- **boosting the excellent profitability and growth in the Atria Finland business area**
- **implementing an investment programme to ensure profitable growth and**
- **creating an operating concept to increase the efficiency and integration of international Group operations.**

Atria Group managed to implement its growth strategy successfully in 2006. Our turnover grew considerably more than the market on average and the market shares of our products increased in our important business areas. Our profitability improved particularly towards the end of the year, although we did not quite reach the previous year's profit level.

Atria Finland

The majority of our growth came from the Atria Finland business area. Sales increase of approximately eight per cent was an outstanding performance in the Finnish market, where the total growth in value was only approximately five per cent. Particularly gratifying was the strong progress of the Atria brand. Due to this progress our total market share increased to almost 30 per cent and our position as market leader was consolidated.

Atria Sweden

In the Atria Sweden business area there was a clear change for the better in our profitability and the volume of operations grew by eight per cent. Half of the growth consisted of organic growth and the rest was made up of a corporate acquisition, which considerably strengthened our position in the local wholesale trade in Sweden. International fast food operations grew rapidly and the profit level improved somewhat.

Atria Russia and Baltic

We achieved our strongest growth calculated as a percentage in the Atria Russia business operation. Our subsidiary Pit-Product increased five per cent points of its total market share. We were the market leader in the St. Petersburg economic area in our chosen product groups, organised retail trade, with a market share of approximately 25 per cent[*]. The company takeover process and increase in efficiency progressed according to plan, and its profit development turned positive. However, due to significant non-recurrent cost items related to the takeover process, the net profit for the year remained in the red for the entire Atria Russia and Baltic business area.

Our smallest business operation measured in turnover, Atria Baltic constituted a clear exception to Atria Group's profitable growth trend.

The development of our operations especially in Lithuania was unsatisfactory and the business registered an operating loss. We have initiated severe reorganisation and adjustment measures in our subsidiaries in the area, which we hope will help us to turn the companies around financially.

Significant investments in competitiveness

Atria Group implemented significant investments to improve the competitiveness of the production processes and the organisation.

*) *Source: ACNielsen, 2006*

The most significant new investments were implemented in Finland. At the Nurmo production plant we completed a two-year, EUR 70 million investment programme. As a result of the programme we now have at our disposal one of the most efficient pig slaughter houses in Europe and a new logistics centre. The facilities double our pig slaughtering and dispatch capacity in Finland.

In Russia we are initiating another extensive, approximately EUR 70 million programme, which will double Pit-Product's production and delivery capacity by 2008. Even before that we will improve the delivery capacity of our current plant.

In addition to the production investments we improved our competitiveness by rationalising production. In Finland the most significant rationalisation measures were the integration of Forssa-based Liha ja Säilyke Oy's and Atria Oy's operations and the cooperation with HK Ruokatalo Oy in a bid to improve the profitability of the turkey business.

In the Baltic countries we merged the operations in Estonia and Lithuania into a joint business operation, Atria Baltic. Reorganisation, increased cost-efficiency of operations and marketing investments provide us with excellent opportunities for profitable growth in all three Baltic countries.

In order to improve the efficiency of our organisation we renewed the entire Group operating concept. We replaced the country-specific organisations with a shared operating concept. The new concept integrates our international operations more closely with our Group strategy and boosts the operative efficiency of the business areas.

Excellent growth prospects for 2007

Atria Group has excellent prerequisites for profitable growth in all its business areas.

Atria Finland

Our cost-efficiency in Finland has improved decidedly due to the investments made.

We strive to achieve maximum benefit from this competitive advantage. At the same time, we invest in strengthening our market shares and the Atria brand, increasing consumer knowledge and promoting customer cooperation, as well as in achieving excellent cost management in our entire production chain. Our current cost structure, which was made much lighter due to the production rationalisation measures and the increase in automation, has also improved our profitability. Since 2005 the number of employees in Finland has decreased by approximately 200 people.

Atria Sweden

At the end of 2006, a corporate acquisition was made in the Swedish meat industry, which affected the operating environment in the entire Baltic Sea area. Atria Group took part in the acquisition as an active prospective buyer. In our opinion the corporate arrangement is the first step towards a major and very expensive structural transformation in the Swedish meat industry. The Swedish meat industry is now faced with a fundamental structural transformation similar to that in Finland in the 1990s. Atria Group's development focus in Sweden lies on a strong development of the company's own operations. We pay particular attention to ensuring the supply of raw material. We are looking into the possibility of investing in meat procurement and slaughterhouse operations in southern Sweden. We strive to expand our operations through both organic growth and corporate acquisitions. Our aim is to reform and increase the efficiency of our operations in Sweden radically. We believe that the new market situation provides us with good opportunities to reach our goals.

Atria Russia and Baltic

In Russia, the market value of Atria Group's product groups is growing by 15–30 per cent, depending on the product group. At the same time, the consumers are selecting ever more expensive and higher quality products. This development trend provides us with significant growth opportunities, which we hope to realise on a large scale at the latest when our investments are completed in 2008. Our aim in 2007 is to expand our sales operations to Moscow and other major Russian cities. We will launch completely new products and product groups, and invest significantly in consumer surveys and in finding new customers.

I would like to thank all Atria employees and our partners for a successful year and excellent cooperation for the benefit of our customers, our shareholders and our company.

Nurmo, February 2007

Matti Tikkakoski
President and CEO, Atria Group plc

Good food,

Sovereign of Steaks

Pepper steak is The Cult Food – a dish that can be found on the menu of almost every Finnish restaurant. However, it is not a traditional Finnish dish, but a French import that arrived in Finland during the 1960s. The Finnish version of the delicacy is cut from domestic fillet of beef and served with a rich cream sauce.

Recipe on page 77.

ATRIA FINLAND

Year 2006

- *Company turnover grew strongly to EUR 686.1 milllion. Operating profit amounted to EUR 33.4 million.*
- *The production share developed positively in all product groups. The overall market share reached almost 30 per cent. The company is the clear market leader in all product groups it represents in Finland.*
- *The integration of Liha ja Säilyke Oy's operations with Atria Oy's meal industry business unit progressed according to plan.*
- *Upon completion the pig slaughterhouse investment in Nurmo doubled slaughterhouse capacity and improved production efficiency.*

Atria Group continued its strong growth in Finland. Sales growth was clearly greater than the total growth of the market and group's supplier shares increased substantially. Company turnover grew by 8.2 per cent to EUR 686.1 million. The supplier share grew by approximately one per cent, which resulted in Atria's overall market share in Finland reaching 29.4 per cent [1].

The excellent sales development accelerated due to correct product group and product selections, successful product launches and an immaculate order to delivery process.

Profitability development did not quite match the growth in volume. The operating profit amounted to EUR 33.4 million, representing a growth of 5.7 per cent over the previous year. Not even the extremely positive profitability development during the last two quarters could entirely make up for the low net profits at the beginning of the year. The weak performance was mainly due to overlapping costs caused by the gradual closing down of the pig slaughterhouse in Kuopio and the simultaneous opening of the new pig slaughtering line in Nurmo. Another reason for the low profit level was that the sales prices periodically did not match the increases in prices of external services and energy.

The share of exports in Atria Finland's turnover increased somewhat to approximately 7.2 per cent. The company's main exports are meat processing by-products and some pork. All beef procured by the company is aimed at the domestic market.

Atria brand particularly successful

As the leading meat industry supplier in the Finnish food trade, Atria Group's subsidiary Atria Oy growth was significantly greater than that of the market. The growth in value of the company's sales was 7.9 per cent [2].

Sales of products produced especially under the Atria brand grew substantially. The 12.9 per cent growth was more than double that of the total market growth of approximately five per cent.[3] Atria products enjoyed particular success during the important summer barbecue season, when company's grill sausages reached a record 45 per cent market share.[4] Other grill prod-

[1] *Source: ACNielsen, 2006*

[2-6] *Source: ACNielsen, 2006*

better mood.

Best consumer knowledge

Atria Group can achieve customer satisfaction and a better mood through consumer and customer oriented operations. Its cornerstone is the best consumer knowledge in the industry. In order to ensure this, the company invests heavily in consumer and market surveys in all its business areas. Atria Group strives to fulfil the wishes of consumers and the retail trade even before they have been presented to the company.

Warehouse worker Markku Heinisuo, A-Logistics Ltd., Tampere and Marketing Coordinator Tarja Niemelä, Atria Finland Ltd., Nurmo

ucts, such as retail-packed meat and skewers, also exceedeed the goals set for sales. Atria's share of new industry products launched in Finland during the year was over 35 per cent.[5]

The company's investments in the Atria brand turned out to be successful solutions in the competitive situation created not only by other industry players but also by the share of private labels. Company managed to increase its supplier shares in almost all its product groups despite the tight price competition.

The overall market for retail-packed meat in Finland grew by approximately 13 per cent. Atria increased its sales growth value in retail-packed meat by 26 per cent. The company also retained its leading market position in the cold cut market, which grew by 2.4 per cent in total. In the cooking sausage market, which remained on a par with the previous year, the company managed to increase its market share by 7.1 per cent. The sales of poultry increased despite the bird flu scare at the beginning of the year and the overall market grew by 3.7 per cent. Company managed to increase its share by no less than 8.2 per cent. The convenience food market grew by 5.8 per cent, and the company retained its market share almost on a par with the previous year.[6]

Growth in capacity

Atria Group's investments in the Nurmo plant consolidated Atria Oy's position as an important pork processing company even at an international level.

In the spring one of Europe's most modern pig slaughtering facilities were inaugurated in Nurmo. The facility almost doubled the company's slaughterhouse capacity to 3,500 pigs per day. During its first year in operation, the nearly EUR 22 million investment increased the amount of pork processed by Atria Oy by 8.7 per cent to approximately 74 million kilos. The amount of pork processed in Finland grew by on average two per cent.[7] In 2007 the company will process almost 40 per cent of all pork processed in the domestic market.[8]

In addition to the share of pork processing, Atria Group also increased its relative share of the processing of other meat. The amount of beef processed in Finland remained unchanged, while the company's share increased by 3.3 per cent. The amount of poultry produced in Finland increased by one per cent, and the amount processed by Atria Group increased by 1.2 per cent.[9]

7) Source: Atria Group, 2007
8) Source: Atria Group, 2006
9) Source: TNS Gallup, 2007

ATRIA FINLAND'S KEY COMPANIES

Atria Oy [*]

- Atria Group Plc's subsidiary.
- The company develops, manufactures and markets meat, meat products and convenience foods and related services based on Finnish meat production.
- Production plants are located in Nurmo, Kuopio, Kauhajoki and Karkkila, Finland.

Liha ja Säilyke Oy [**]

- Atria Group Plc's subsidiary.
- The company's main products are convenience foods, salads, whole meat products and cold cuts.
- The production plant is located in Forssa, Finland.

A-Farmers Ltd

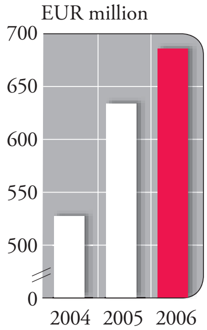
- Atria Group Plc's subsidiary focused on meat procurement.

A-Rehu Oy

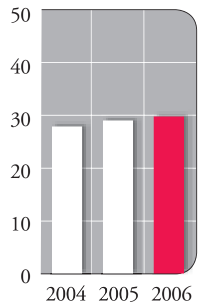
- Atria Oy's subsidiary focused on the feed business.
- Production plants are located in Koskenkorva and Varkaus, Finland.

**) Company name as from 1 January 2007 Atria Finland Ltd.*
***) Integrated into Atria Finland Ltd. Meal Solutions on 1 January 2007*

Turnover



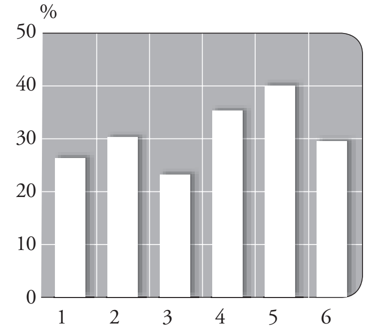
Atria Group's overall market share [*] in Finland



**) Relative shares of Atria Oy, Liha ja Säilyke Oy and private labels based on each product group's overall market value.*

Source: ACNielsen, 2006

Atria Group's production shares in Finland



1. Cold cuts.................................. 26%
2. Food preparation products 30%
3. Convenience food 23%
4. Consumer-packed meat............ 35%
5. Consumer-packed poultry......... 40%
6. Total... 29%

Source: ACNielsen, 2007

SUCCESS

Interest in innovative meal solution

In autumn 2006, Atria Oy made a successful launch in the convenience food product group. The company launched a totally new solution in the domestic market: Atria's Jaettavat Perheateriat (family meals). They fulfil the requirements of modern eating habits, where everyday food preparation should be quick and easy, but also provide delicious meals.

Atria Oy's new solution is a meal made up of main courses and side dishes sold in separate packages. They can be combined into a ready-made meal for 3–4 people. The products have been well received in the market and, at the beginning of 2007, new components for the family meals were introduced.

Competitiveness in the meal industry and turkey business

Atria Group's position in the growing Finnish convenience food market was not satisfactory. In 2006, a reorganisation was implemented to significantly increase the competitiveness of the Group's convenience food and meat product industries.

In the reorganisation, the overlapping operations of Group companies Liha ja Säilyke Oy, F-logistiikka Oy and Atria Oy were merged into Atrian Oy's new Meal industry business unit. The integration improves the efficiency of the meal and meat product industry operations by clearly defining the distribution of work in the Nurmo and Forssa production plants. The Forssa plant will focus on the production of convenience food, salads, whole meat products and cold cuts. The focus will be on the Forssan brand in the future; it is the market leader in Finland in the salad product group and has a strong position in cold cuts.[10] The production of sausages was transferred from Forssa to Nurmo at the end of 2006. Other operations that will be merged are, among others, logistics, financial and HR administration, as well as sales and marketing.

Atria Group strives to improve profitability in its turkey business with a new joint venture in cooperation with HK Ruokatalo Oy. The two companies established a new turkey meat production company, Länsi-Kalkkuna Oy. The parties are equal partners in the joint venture. The company focuses on primary production, slaughtering and cutting. As regards the production, product development and marketing of the turkey products, Atria and HK Ruokatalo continue as competitors with their own brands.

Atria's market share of the sales of fresh turkey meat was 38 per cent.[11] The profitability of the turkey business has decreased due to industrial over-capacity and increased imports. With the new company, the parties can reduce part of the industrial over-capacity and rationalise their operations. Simultaneously, the goal is to ensure the continuity of domestic turkey production and the competitiveness of domestic turkey products.

2007: increased volume and cost-efficiency

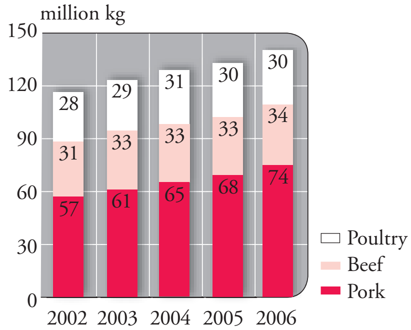
In 2007 Atria Finland Ltd. (previously Atria Oy) strives to grow at least at the same pace as the overall market growth. More important than growth in volume is, however, improvement of profitability.

The new part of the logistics centre to be inaugurated in 2007 will almost double the Nurmo production facility's dispatch and delivery capacity. The maximum planned capacity for the approximately EUR 37 million logistics investment is one million kilos

[10] Source: ACNielsen, 2006

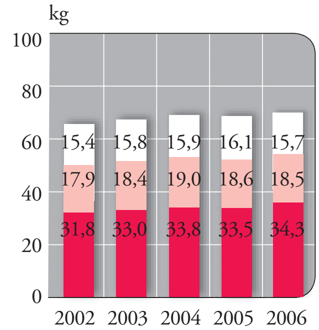
[11] Source: TNS Gallup, 6/2006

Amounts of meat processed by Atria Group in Finland
million kg



Total amount of meat processed by Atria Oy (million kg)
2002.................................. 116
2003.................................. 123
2004.................................. 129
2005.................................. 131
2006.................................. 138

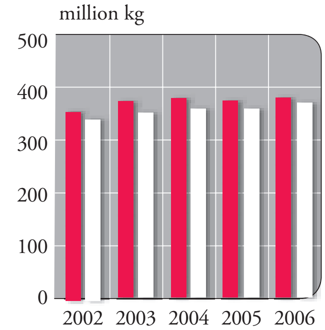
Meat consumption per capita in Finland 2002–2006
kg



Poultry
Beef
Pork

Source: TNS Gallup, 2007

Overall production and consumption of meat in Finland
million kg



Production
Consumption

Source: TNS Gallup, 2007

of foodstuffs, or approximately two million consumer-packed units per day. The logistics centre provides Atria Finland Ltd. with the tools required to increase its deliveries significantly and very cost-efficiently.

Completed in 2005, the EUR 11 million expansion investment in the meat product plant and the new pig slaughterhouse in particular ensure that the logistics centre is used to maximum capacity. The beginning of the production chain is strengthened by an increasingly tight cooperation with A-Farmers Ltd. Atria Finland Ltd. procures almost all pork and beef used from A-Farmers Ltd. Atria Group Plc acquired nearly the entire share capital of A-Farmers Ltd at the end of the year.

In addition to the investments made, Atria Finland Ltd's competitiveness has been enhanced by reorganisations at the Forssa and Kuopio production facilities. The company's production structure is now much clearer and the cost structure lighter than previously. The reorganisation of middle management improves the prerequisites for profitable growth and strengthens the development of expertise for future needs. In 2007, resources will be focused ever more consistently on increasing consumer data and knowledge, as well as on deepening and diversifying customer cooperation.

BALTIC STRATEGY

Importance of domestic raw material emphasised in Finland and Sweden

When developing the competitiveness of its primary production and raw material supply, Atria Group takes into consideration, in addition to price and delivery reliability, the expectations of both customers and consumers regarding the origin of the raw material. In Finland, the Group is committed to using domestic raw material and it uses 100 per cent Finnish pork, beef and poultry in all products sold under the Atria brand. The meat is supplied by A-Farmers Ltd, a wholly owned subsidiary of the Group, and Pohjanmaan Liha Cooperative. Approximately 70 per cent of the raw material used in Sweden by Lithells AB is domestic. In a changing operating environment, the Group wants to retain the level of domestic raw material used and the delivery reliability, and we are looking into the possibility of investing in meat procurement and slaughterhouse operations in southern Sweden. In the Baltic region, the Group has invested in its own primary production so that its subsidiaries in the future can obtain a significant part of the raw material from the Group's own farms. In Russia, domestic raw material is not a priority and meat production growth has not been able to match the growing demand. The country is a significant net importer of meat. Russia's own meat production is undergoing major development, which also offers new possibilities for Atria Group.

Juha Gröhn
Managing Director, Atria Finland Ltd.
Member of the Management Group in charge of Atria Group's primary production

Good food,

King of Beef Hash

Steak Rydberg is a more sophisticated version of the traditional Swedish beef hash. The dish was served from the early 19th century until the 1920s in Hotel Rydberg in Stockholm, a popular retreat for Swedish high society. The closure of the famous hotel did not diminish the popularity of the speciality: nowadays this classic beef and vegetable dish can be found on the menu in many other Swedish restaurants.

Recipe on page 77.

ATRIA SWEDEN

Year 2006

- *Atria Group's turnover in Sweden grew by eight per cent to EUR 336.4 million. Profitability improved slightly, operating profit amounted to EUR 15.1 million.*
- *Atria Lithells AB managed to increase sales of the Lithells brand, and the company's market share grew a little.*
- *Atria Concept AB increased the number of outlets in the entire Baltic Sea region and the profitability of the company's operations also improved in Sweden.*
- *Svensk Snabbmat för Storkök AB acquired its former partner Matgruppen för Storkök i Norr AB, which significantly increased the company's turnover. Profitability remained at a good level.*

Atria Group's Swedish subsidiary Lithells AB's turnover grew by seven per cent to EUR 336.4 million. Four per cent of this consisted of organic growth. The rest of the increase was the result of a deal in which Lithells AB's subsidiary Svensk Snabbmat för Storkök AB acquired a company by the name of Matgruppen för Storkök i Norr AB in November 2006.

Lithells AB's profitability improved slightly. Its operating profit amounted to EUR 15.1 million. The net proft was satisfactory in the Swedish market, which was divided: the consumer goods retail trade and catering industry market grew at a greater rate, but the price pressure was still considerable. Profitability developed positively in all units within the Group, particularly during the latter half of the year.

Lithells brand showed growth trend

Specialising in meat products and convenience food, Atria Lithells AB's turnover remained on a par with the previous year. However, for the first time since 2003, the company managed to increase the sales of the Lithells brand. Sales grew by approximately five per cent. The company's market shares also increased somewhat in the retail trade, which still strives to increase the share of private labels of the overall market.[1]

The company's net profit clearly exceeded last year's level. The sales margins improved, particularly during the latter half of the year. Raw material prices remained stable. Despite the improved net profit, the company's performance did not reach Atria Group's operating profit goals.

Atria Lithells AB's operational efficiency improved further and the delivery reliability remained excellent throughout the year, which is of crucial importance to Atria Group's customers. The company implemented organisational reforms, which were included in the measures to strengthen the organisation's expertise and its consumer and customer orientation.

During the financial year, a new organic growth strategy was also approved for Sweden. The purpose is to create added value for the company by implementing the following measures: to focus on and

1) Source: ACNielsen, 2006?

better mood.

Best cooperative practices

Atria Group's customers will get maximum satisfaction, when the company can offer its customers the best growth and profitability. In order to ensure this the company strives to create the industry's best cooperative practices. Atria Group strives to form partnerships with its customers, in which the customer's and the company's own business processes are combined to create competitive cooperation. The development of new cooperative practices in the form of partnerships also creates functional and economic added value for producers and other partners.

Brand Manager Anne Thunman, Atria Sverige AB, Nacka Strand and Production Coordinator Jan-Åke Karlsson, consumer-packed meats, Årsta

invest in own brands, support innovative product development and marketing, improve operational efficiency, cut fixed costs and improve margins.

Atria Concept AB grew particularly in the Baltic Countries, Poland and St. Petersburg

Fast food company Atria Concept AB's growth and profitability developed positively due to the increase in the number of outlets and the improved profitability of our operations in Sweden. The company's operating profit remained unchanged despite investments in the development of concepts and the geographic expansion of operations. The profitable growth was based mainly on the continuous positive development of operations in the Baltic Countries and Poland. The company also launched a marketing campaign in the important Russian market. The company had 24 franchising sales outlets in the St. Petersburg region at the end of the year. The goal is to open a total of one hundred Sibylla is Inside sales outlets in St. Petersburg by the end of 2007.

Atria Concept AB maintains operations in Sweden, Finland, Denmark, the Baltic Countries, Poland, Russia, Czech Republic and Slovakia. At the end of the year, the company had a total of 1,974 sales outlets. The company's Sibylla street-kitchen chain also expanded. Despite the tough competition in the fast food market the Sibylla brand retained its strong market position.[2] However, the fuel price development still affected purchasing behaviour: an increasing number of motorists filled their car at unmanned stations, which restricted sales growth in manned service stations. Instead, the company tried to find new distribution channels for the Sibylla brand products, which suited the changed purchasing habits.

During the year a new operating strategy was approved, in which the Sibylla brand takes centre stage. The strategy aims to increase core operations significantly in the countries around the Baltic Sea. Growth is focused on increasing the number of customers and sales channels in the current market areas. Resources are

[2] *Source: ACNielsen, 2006*

ATRIA SWEDEN'S COMPANIES

Lithells AB[*]

- Atria Group Plc's Swedish subsidiary.

Atria Lithells AB[**]

- Lithells AB's subsidiary.
- The company develops, manufactures and markets meat products and meal solutions, as well as retail-packed meat.
- Production plants are located in Sköllersta (Örebro), Malmö and Stockholm, Sweden.

Atria Concept AB

- Lithells AB's subsidiary.
- The company develops and offers a fast food concept including customer-specific meal solutions.

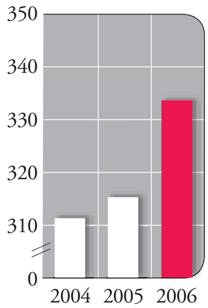
Svensk Snabbmat för Storkök AB

- Lithells AB's subsidiary.
- The company maintains local foodstuffs wholesale operations in Sweden.

[*] Company name as from 1 January 2007 Atria AB
[**] Company name as from 1 January 2007 Atria Sweden AB

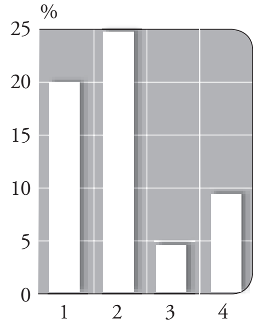
Turnover

EUR million



Atria Group's market shares[*] in Sweden 2006

%

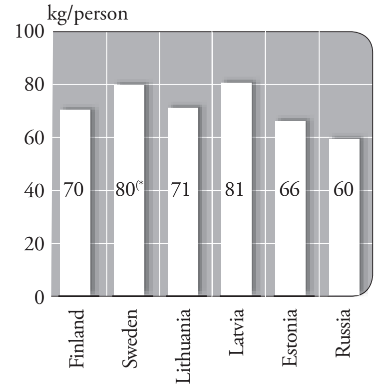


1. Sausages
2. Convenience food
3. Cold cuts
4. Bacon

**) Measured by volume*
Source: Atria Sweden, 2007

Meat consumption in Atria Group's market area 2006

kg/person



**) Figure from 2005*
Source: Atria Finland and Atria Sweden, 2007

SUCCESS

Prima very well received

At the beginning of last year, Atria Lithells AB launched a high-quality new product in the Swedish market: the product range Lithells Prima, which includes six different sausages. The meatiest sausages in the market have been very well received by consumers. In the summer, the overall sausage market grew by 3.5 per cent. Lithells Prima's share of the market was 23 per cent.[*] Due to the positive response the product range will be complemented with further products.

**) Source: ACNielsen, 2006.*

focused on strengthening the brand, as well as on developing the concept and the products.

The Sibylla street-kitchen chain development positively. The number of outlets in Sweden grew to 210, and the number of Grillköket outlets to 73. Profitability also improved due to the more cost-efficient structure. At the end of the year a new, more competitive menu was launched. The ever stronger Sibylla brand, together with continuous concept and product development, provides excellent prerequisites for the chain's profitable growth.

Svensk Snabbmat för Storkök AB progressed strongly

Local wholesale company Svensk Snabbmat för Storkök AB, which provides services for the restaurant and catering industry market, showed improved profitability for the eighth year running. The organic growth of the company's sales amounted to six per cent and the net profit improved. The corporate acquisition at the end of the year increased sales by seven per cent, and in 2007 the company's turnover is expected to amount to approximately EUR 200 million.

At the end of the year Svensk Snabbmat för Storkök AB acquired its former northern Swedish partner Matgruppen för Storkök i Norr AB.[3] After the acquisition, Svensk Snabbmat för Storkök AB maintains operations in 18 locations in Sweden and has more service outlets than any other Swedish local wholesale company.

The industry market grew by approximately four per cent in Sweden, and Svensk Snabbmat för Storkök AB retained its previously strong market position. The Swedish market is expected to continue its positive development in 2007, while the industry price competition and structural changes continue. Due to the completed corporate acquisition, Atria Group can improve its active role in the structural changes in the restaurant and catering industry market.

2007: significant investments as an active player

The trade outlook is expected to remain positive in the Swedish market: purchasing power is increasing, which boosts growth in all distribution channels used by Atria Sweden. The market is expected to grow by two to four per cent depending on the distribution channel, and the raw material prices are believed to develop steadily. There is uncertainty as regards inflation expectations. The price pressure is believed to remain at its current level in a market characterised by severe structural change.

3) Source: Atria AB, 2007

Atria Group's market area:
45 million consumers

BALTIC STRATEGY

Atria Sweden's strategy is proactive, and the company intends to be an active player in the structural changes in the industry. Atria Group has adopted a strategy of organic growth, which means an ever stronger focus on investments in the own brands, based on the current core operations. The company strives for growth by investing actively in brand development, innovations and customer cooperation. The profitability of all the subsidiaries is expected to show positive development due to the improvement of growth and net profit. Net profit will be improved first and foremost by developing the efficiency of operations, cutting fixed costs, creating a more competitive product range and developing the conditions for trade.

Partnership based on brands and expertise

Atria Group Plc's vision is to be the leading company in meat processing and meal solutions in the Baltic Sea region. The increasingly international, consumer and customer oriented Atria Group ensures that its customers benefit from the product group development in all the Group's market areas in the Baltic Sea region. The company's goal is to be a pioneer, who offers cooperation on competitive terms for all customer segments. The Group's new, international structure ensures that the company's expertise is put to use across national borders. Customers are offered a product range that corresponds to and strengthens consumer demand, and partners are given the prerequisites for the industry's best growth and profitability. For several years, this strategic partnership model has supported the Group's Finnish partners and their profitable growth, and now our new, international structure ensures that the same model and expertise is applied in all market areas.

Christer Åberg
Managing Director, Atria AB
Member of the Management Group in charge of Atria Group's customer relations

Good food,

Tsar of Tradition

Blini are a traditional wintry dish in Russian cuisine, which has spread across the entire nation and even across the borders to neighbouring countries. There are almost as many blini recipes as there are cooks, but they all agree that the blini base definitely must be left to ripen. The most popular fillings are caviar and sour cream, but a modern chef can also serve ready-made salads.

Recipe on page 77.

ATRIA RUSSIA AND BALTIC

Year 2006

- *Turnover grew significantly to EUR 104.6 million. Profitability developed positively, despite an operating loss of EUR –7.0 million.*
- *The takeover and reorganisation of Atria Group's Russian subsidiary Pit-Product progressed according to plan.*
- *The company increased its market share considerably in the concept-based retail trade to 25.1 per cent.*
- *The Group approved a EUR 70 million investment in Pit-Product's new meat product plant and logistics centre in St. Petersburg.*
- *In order to improve the efficiency of operations and profitability in Baltic the Group's operations in Estonia and Lithuania were merged into one business operation, Atria Baltic.*

Atria Group's growth in the St. Petersburg economic area continued in parts stronger than anticipated. Atria Group's Russian subsidiary Pit-Product's position as market leader in the area was also consolidated. The market share of the company's product groups in the modern retail trade increased to 25.1 per cent. The annual growth of the market share was five per cent points.[1]

Pit-Product's profitability improved significantly, particularly towards the end of the year. Despite this, the company showed an operating loss, which was due to non-recurring items associated with the takeover at the beginning of the year and increased raw material costs.

Sales and profitability in the Group's Baltic business operation were unsatisfactory. The total sales growth of Estonian Valga Lihatööstus and Lithuanian Vilniaus Mesa was negligible. Due to non-recurring costs incurred by severe measures to improve efficiency, the company showed an operating loss.

[1] *Source: ACNielsen, 2007*

ATRIA RUSSIA

The takeover process of Pit-Product, which was acquired by Atria Group at the end of 2005, progressed according to the goals set. The process reviewed all company operations and appropriate parts of them were integrated in Atria Group's operating concepts.

Pit-Product increased its sales considerably more than the total market growth. The market grew quantitatively by approximately five per cent. The market value increased by approximately 15 per cent.[2] The figures include the traditional market square and hall sales, which is still the predominant meat industry distribution channel. However, Pit-Product mainly operates through the modern retail trade, which increased its sales considerably more and faster than the overall market. The retail trade share is expected to grow to approximately 60 per cent of the St. Petersburg area food trade by 2008.[3] All important retail chains in St. Petersburg are Pit-Product customers.

The rapid change in the structure of trade was evident in Pit-Product's market area in the establishment of new stores

[2 and 3] *Source: ACNielsen, 2007*

better mood.

Superior fresh product process

The cornerstone of success for Atria Group's customers is the freshness of consumer goods. Atria Group offers superior management and implementation of the fresh product process in the industry. The company's investments in the entire logistics chain and the development of its data management starting from primary production is a key competitive concept for the Group. The latest technology enables an operating concept in which the management of the fresh product process is extended to include development of the customer's store logistics.

Forecast specialist Evgeniy Ponyatovskiy and quality specialist Ekaterina Tsvetkova, Pit-Product, St. Petersburg

and formation of store chains. The largest national and multinational chains are expanding to become nation-wide players in Russia. The structural change was given a boost by the almost ten per cent growth in the gross national product. The growth, which is focused around St. Petersburg and Moscow, considerably improved the purchasing power of the expanding middle class and changed their purchasing and eating habits. The growth in demand was focused on increasingly high quality and more processed products and product groups, which are also Pit-Product's key targets of investment.

Despite the fact that Pit-Product operates in a market experiencing major growth, the competitive situation started to grow tougher. More than 60 industry companies maintain operations in the area, and no consolidation to speak of has taken place in the industry. The prevailing situation increased the price negoitation strength of the trade. Cost increases due to raw material price increases could be transfered to prices only after certain delays. The supply of raw materials for Pit-Product in general was good.

Pit-Product's management was reorganised as part of the company takeover process. Juha Ruohola was appointed new Managing Director. He is a member of the Group's Management Group and as such he will also continue in charge of the Atria Russia and Baltic business area.

Large investment doubles capacity

Due to the positive development in sales and the great growth potential, the Group's Board of Directors approved an approximately EUR 70 million investment programme to build a new meat product plant and logistics centre in St. Petersburg. Previously, an investment of approximately EUR 5 million was approved to improve capacity at the current plant.

The new production facilities will be built in Gorelovo, approximately 20 kilometres from the centre of St. Petersburg. Due to the investment, Pit-Product's production capacity will double from the current capacity. The new production facilities will be taken into use by the end of 2008.

ATRIA RUSSIA AND BALTIC'S COMPANIES

OOO Pit-Product

- Atria Group Plc's Russian subsidiary.
- The company's main products are various meat products, sausages and cold cuts in particular.
- Production facilities are located in St. Petersburg and Sinyavino, Russia.

AS Valga Lihatööstus

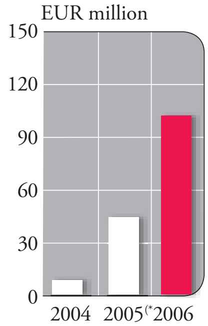
- Atria Group Plc's Estonian subsidiary.
- The company's main products are meat, sausages and cold cuts.
- Production facility is located in Valga, Estonia.

UAB Vilniaus Mesa

- Atria Group Plc's Lithuanian subsidiary.
- Main products are sausages and cold cuts.
- Production facility is located in Vilnius, Lithuania.

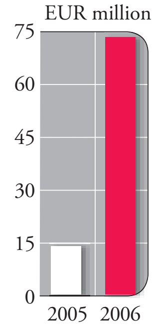
ATRIA RUSSIA AND BALTIC

Turnover, Atria Russia and Baltic

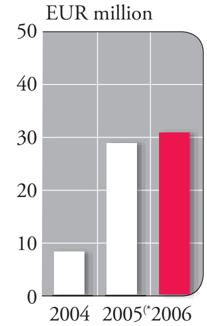


) AS Valga Lihatööstus with the Group since 01/05, Pit-Product with the Group since 10/05

Turnover, Atria Russia



Turnover, Atria Baltic



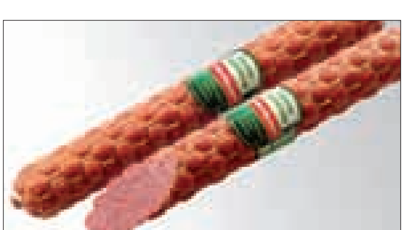
) AS Valga Lihatööstus with the Group since 01/05

SUCCESS

The top spot for meat products among consumers

Ten-year-old Pit-Product is known as an innovative company in its market area, which requires continuous launching of new flavours, product groups and packaging types. Last year the market leader gave the St. Petersburg market two new premium priced products suitable for the local palate, aimed at friends of cooked and cured sausages.

In 2006, Pit-Product initiated significant investments to reinforce its brand and recognition. The efforts will continue in 2007 by modernising the brand and improving the efficiency of marketing. The goal is to become market leader and reach the top spot among consumers in the meat product industry.



2007: better profitability and regional growth

Atria Group's growth outlook for 2007 in Russia is good. The overall market for Pit-Product's products is expected to grow quantitatively by at least five per cent and based on value by approximately 15 per cent.[4] The rate of inflation is estimated at eight per cent.

Pit-Product strives to retain the excellent growth rate, and growth is also sought outside the St. Petersburg area. Growth targets are the larger cities, primarily Moscow. The company strives to improve profitability with the help of production reorganisation and additional volume, and the investments approved in 2006 for these measures provide excellent conditions. The company also strives to improve profitability with the help of new high-margin products and product groups. In order to ensure the right selection of product groups, the company has considerably increased its investments in consumer surveys. The investments are part of the ongoing integration process for 2007, in which the goal is to improve Pit-Product's competitiveness based on Atria Group's operating concepts.

ATRIA BALTIC

The sales growth of six per cent in the Atria Baltic business operation in Estonia and Lithuania was not enough to retain the existing market shares. The market share of the Group's products in the retail trade in Estonia was eight per cent and in Lithuania approximately three per cent.[5] The market grew both quantitatively and in value by approximately 15 per cent.

In addition to the volume growth, profitability development was also unsatisfactory. Development was hampered by the tight price competition and periodical raw material supply problems, and especially by the non-recurrent costs still associated with the takeover of UAB Vilniaus Mesa.

The most significant of the individual investment targets was the approximately EUR 4 million investment in the company's pork production in Estonia.

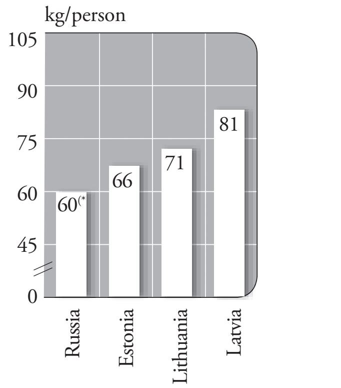
The structural change trend in trade in Estonia an Lithuania corresponded to that in Russia, although there were noticeable regional differences in the rate of change.

Operations merged

In order to ensure and boost the profitable growth of its Baltic operations, Atria Group decided to merge operations in Estonia

[4 and 5] Source: ACNielsen, 2006

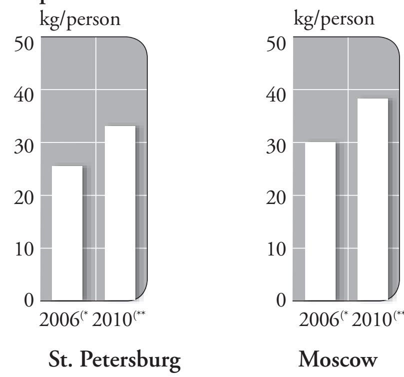
Total meat consumption in Russia and Baltic 2005



Source: Baltic Facts, 2006. Economical and social indicators. Estonian Institute of Economic Reseach.

(*) Source: Atria Russia, 2007

Forecast for the consumption of meat products in Russia



(*) Estimate, ACNielsen, 2006
(**) Estimate, Atria Group, 2006

and Lithuania. Legally AS Valga Lihatööstus and UAB Vilniaus Mesa remain separate companies. Raimo Kirmanen, head of Atria Baltic, was appointed Managing Director and the rest of the management was reorganised. With the help of the new organisation the company aims to introduce a new operating concept, which is intended to produce significant synergy benefits in the entire Baltic area in production and logistics, marketing and sales, as well as in purchasing and administration.

2007: significant improvement in profit levels

Atria Group's key goal for the Baltic area in 2007 is to improve profitability significantly. The new organisation provides excellent prerequisites for this. Profitability will also be improved by HR effects associated with the removal of overlapping operations in Estonia and Lithuania.

The company strives to boost organic growth in the Atria Baltic business operation with considerable investments in product development and marketing. In order to ensure the raw material supply and quality in 2007 the company is investing approximately EUR 5 million in its own pork production in Estonia.

Perfectly timed investment

According to profit analyses, the approximately EUR 70 million investment in the new Pit-Product production facilities is perfectly timed. The outlook for profitable growth is very positive. The investment secures significant growth in capacity in our order-to-delivery process, which enables a considerable increase in sales and consolidation of the market share in rapidly growing product groups. Our profitability is also improved by new products, which are expected to yield even better profitability. The new capacity enables us to expand our operations in St. Petersburg, as well as in other large Russian cities, such as Moscow. Profitability is significantly improved in the entire order-to-delivery process when logistics are integrated into the production plant. Further investments in the future are associated with process automation, as salary costs are growing fast even in Russia.

Juha Ruohola
Managing Director, Pit-Product
Member of the Management Group in charge of Atria Group's purchasing and investments

CORPORATE RESPONSIBILITY

Year 2006

- *The roles of personnel management and environmental and product safety management were revised and resources were strengthened.*
- *The main focus of personnel development was to promote professional skills and occupational safety.*
- *The Group achieved its key environmental goals and a new three-year programme period was initiated in Finland.*

Atria Group implemented a new operating concept, which clarified and strengthened the role of personnel operations and environmental and product safety operations as key dimensions of the company's responsible operations.

Replacing the country-specific organisations with a shared operating concept significantly boosted the process used by the Group to standardise the planning, monitoring and reporting systems in operations. By integrating the systems, the Group strives to speed up decision-making at the Group level and improve the operative efficiency of the business areas. Another goal is to develop Atria Group's corporate responsibility in reporting to the company's core interest groups.

In order to implement the standardisation process, the Group strengthened the resources required for the measures. A new position, Vice President Human Resources, was established in order to develop personnel operations. A Safe Atria Quality team was introduced to develop reporting on environmental issues as well as product safety and operational quality. The team comprises representatives from each business area and it is led by the Group Director of Quality and Product Safety.

PERSONNEL RESPONSIBILITY

The key task of Atria Group's personnel policy is to support the Group's strategic and business objectives. The value framework for the development of personnel operations is the company's objectives profitability and pioneering work. The company strives to achieve this with competent, international personnel and the industry's best organisation.

In the development of its personnel, the Group focused particularly on vocational training, on-the-job learning, career planning and occupational safety. Planning of the Group's new personnel strategy and drafting of related country-specific strategies was also initiated. The work continues as the main objective of personnel operations in 2007.

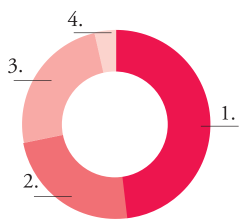
Atria Finland

Atria Group supports the development of its personnel within the company as part of its management culture. In order to support individual career planning, a comprehensive personnel resource survey was carried out at Atria Oy. The resource surveys carried out for nearly 150 supervisors and experts support the drafting of company career and training plans, and provide a basis for continuous development.

Training for the Specialist Qualification in Technology, which is custom-made for the Group, continued in Finland with 30 participants. Butcher apprenticeship training was initiated in three stages, and the two-year course aiming at a professional

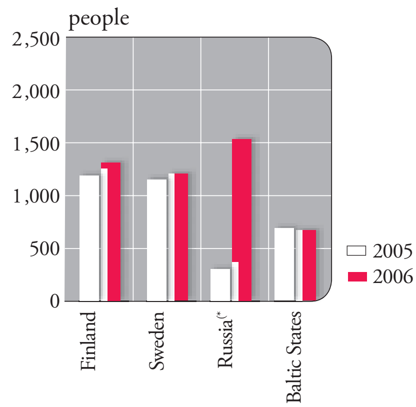
Atria Group's personnel numbers

In 2006 the average number of personnel in the Group was 5,740.



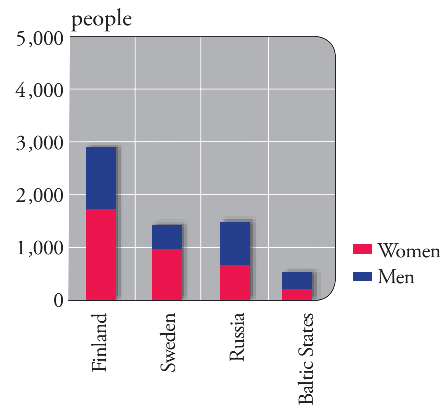
1. Atria Finland.................41%
2. Atria Sweden 21%
3. Atria Russia 27%
4. Atria Baltic....................12%

Average personnel



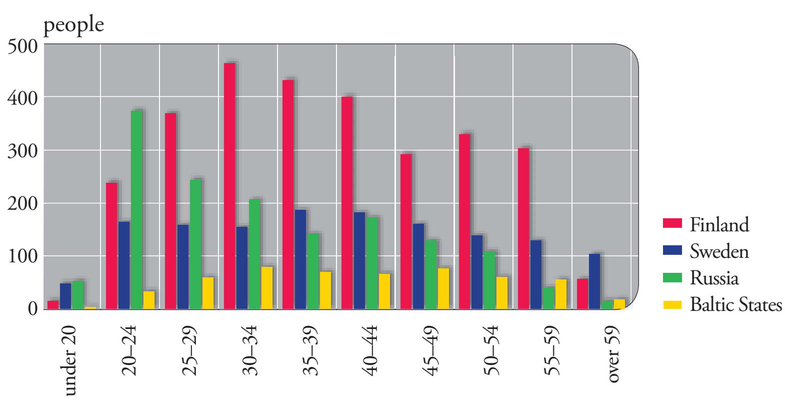
) Pit-Product is part of the Group since October 2005

Share of women/men (*



) personnel situation on 31 December 2006

Age structure in Atria Group (*



) personnel situation on 31 December 2006

qualification is attended by more than 40 of Atria's employees. Introductory training was completed by approximately 20 employees and some 40 people participated in occupational safety training. In addition, the personnel were offered language, management and customer service training, among others.

Well-being at work was improved by developing the roles of employees with decreased working capacity. At the Nurmo plant a project was initiated to revise the occupational health service tasks and occupational safety assessments.

Atria Sweden

In Sweden, the Group invested in competence development by initiating performance appraisal discussion training for supervisors and team leaders. The entire performance appraisal discussion process has been revised, and the aim is that both department-specific and individual performance appraisal discussions be carried out in all departments at Atria Sweden AB. Comprehensive personnel development plans will be drafted based on the discussions.

The Group also invested in occupational safety. All production supervisors and team leaders participated in the comprehensive work environment development project and the associated training. The training comprised drafting of common rules, as well as development of a risk assessment plan and monitoring system for operations.

Atria Russia and Baltic

At Pit-Product, Atria's production plant in Russia, the Group organised personnel training associated with areas such as quality management, logistics and occupational safety. The personnel were also offered language training. The competence level among production personnel was monitored using semi-annual professional skill assessments.

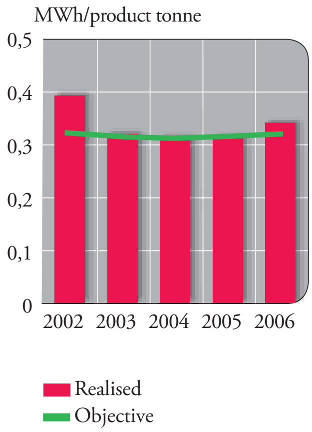
At Atria's production plants in Estonia and Lithuania the Group offered the personnel training associated with areas such as product safety, technology and quality in particular. Many of the clerical employees improved their language skills by participating in English courses.

ENVIRONMENTAL RESPONSIBILITY

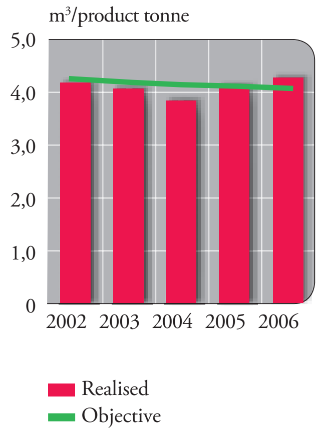
Ecological environmental management and reducing the environmental load are a key part of the Safe Atria Quality management. This comprises product safety, healthiness, ease of use and environmental impact throughout their life cycle. The success of the Group's environmental policy is considered a key prerequisite for the company's operations and success. The policy requires continuous improvement in the areas of productivity, profitability and environmental management.

In its environmental responsibility Atria Group is bound by several national and international regulations associated with food production and distribution in general, and hygiene and environmental protection in particular. The company is

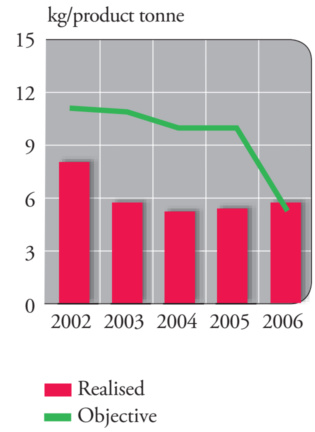
Electricity consumption



Water consumption



Landfill waste

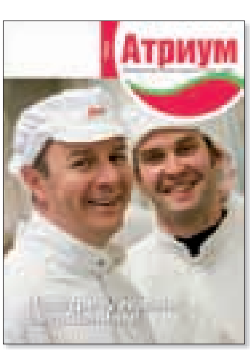


OUR ATRIUM

Group personnel magazine unites

In order to establish its strategy and improve the openness of internal communications, in the summer of 2006 Atria Group founded a Group personnel magazine called Our Atrium. The key objective of the magazine is to get the personnel to commit to the Group's common goals, help the personnel to form an overall image of the Group and create a bond between the various business areas.

The magazine is published three times a year in all five Group languages and distributed to every employee. The magazine, which deals with current issues in the Group, has been very well received.



also bound by the International Chamber of Commerce (ICC) Business Charter for Sustainable Development.

In addition to its official obligations Atria Group's responsible environmental operations are ensured by the company's own management systems. The most important of these are the Quality Management system (ISO 9001 certification granted in 1995), Environmental Management system (ISO 14001 certification granted in 1996) and Product Safety Management system (approval by public authorities in 1995), which cover Atria Finland's operations. The Environmental Management certificate also covers the company's Swedish operations. In other business areas the company strives to achieve a corresponding level of environmental management, taking into consideration national regulations.

The Group has identified the environmental impact and perspectives caused by its operations, products and services. The most important of these are energy consumption, water consumption, oxygen consumption caused by wastewater, as well as landfill waste. Key environmental indicators include energy and water consumption, as well as the amount of landfill waste and packaging material per product tonne produced.

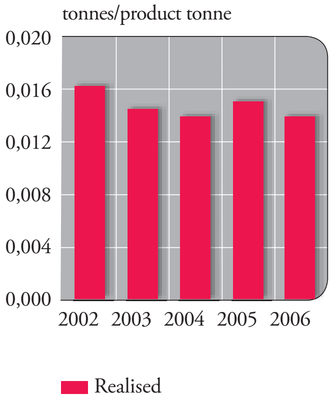
In 2006 the Group initiated a new environmental programme period, which extends to 2008. The previous programme period, which ended in 2005, was a five-year period. The final report for the programme period, Atria Oy's Environmental Year 2005, can be ordered from Corporate Communications (contact information on page 76).

The Group has set six environmental objectives for the new programme period:

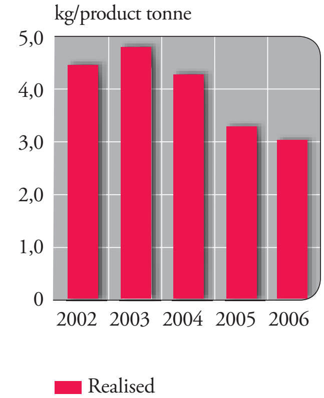
- to reduce the consumption of energy and natural resources
- to reduce the amount of waste and the load caused by wastewater, improve waste sorting and explore new utilisation methods
- to maximise user safety of environmentally harmful substances
- to increase the environmental awareness of employees and partners
- to understand the environmental impacts of primary production
- to recognise the environmental impacts of deliveries.

The Group defined a decrease of two per cent in water and energy consumption and landfill waste as tangible environmental objectives for the three-year programme period. The use of recovered heat energy is set to be increased by two per cent. Another goal indicator is the BOD_7 value, which indicates the wastewater organic load. This value must fall within the range specified in the environmental permit.

Packaging materials



Wastewater load BOD_7 kg



The objective varies according to the environmental permit regulations for the locations.

Ecoefficiency (*

Environmental indicators in relation to turnover

	2002	2003	2004	2005	2006
Electricity consumption MWh/EUR 1.000	0.31	0.26	0.24	0.24	0.23
Water consumption m^3/EUR 1,000	3.18	3.22	2.90	3.09	2.90
Landfill waste kg/EUR 1,000	6.26	4.67	3.97	4.10	3.98
Packaging materials tonnes/EUR 1,000	0.012	0.018	0.011	0.012	0.014
Wastewater load BOD_7 kg/EUR 1,000	3.41	3.83	3.23	2.45	2.14

*) *Figures for Atria Group Plc's Finnish production plants*

PRODUCT SAFETY RESPONSIBILITY

The safety and microbiological quality of Atria Group's products are based on plans for own control approved by public authorities, which include raw materials, production processes and distribution chains. The plans are based on risk management according to the HACCP (Hazard Analysis and Critical Control Point) system. Approvals by public authorities as well as regular audits are used to ensure that the plans correspond to the industry's latest legislation, product safety standards and, for example, international trade requirements.

In 2006 the Group initiated measures to standardise its product safety as part of the Safe Atria Quality management programme. The tangible objective is to draft product safety guidelines that apply to all business areas within Atria Group. Using these guidelines, each business unit can further develop their own safety practices, taking into consideration national regulations and standards. The Group's goal is to become one of the leading companies in its industry as regards product safety competence and quality development.

BALTIC STRATEGY

Product safety a key factor in competitiveness

Atria Group offers consumers and its customers high-quality, delicious and safe products in all of its business areas. Product safety is one of the company's most important focal points, which we focus on both locally and at the Group level.

Atria Group has actively developed its expertise as regards hygiene and product safety. Our production plants are located in the Baltic Sea region, in Finland, Sweden, Estonia, Lithuania and Russia, and we have had to take local legislation into consideration in these countries in all our operations. As the Group becomes ever more international, we have also taken advantage of the strengths developed in each country, by sharing best practices between the countries. In 2007, for example, we will standardise our own control, consolidate reporting practices and develop common operating concepts with the objective of spreading our Safe Atria Quality concept.

Product safety management and investing in expertise in the area is vitally important to Atria Group. Various animal diseases, microbiological hazards and issues concerning the pureness of foodstuffs, which can be averted only with the help of expertise, threaten food production. Product safety is a key factor in Atria's current and future competitiveness.

Merja Leino

Member of the Management Group in charge of Atria Group's quality and product safety

PRODUCT DEVELOPMENT AND MARKETING

JOINT IMAGE

As part of the transition to the new operating concept Atria Group implemented a joint Group image in all its business areas. In consumer marketing, the Group continues its current brand strategy, according to which each subsidiary has its own leading brands.

ATRIA GROUP PLC
Good food - better mood.

ATRIA FINLAND
Good food - better mood.

ATRIA SVERIGE
Good food - better mood.

АТРИА РОССИЯ
Когда еда – в радость.

ATRIA BALTIC
Good food - better mood.

Year 2006

- *The market positions improved in all important business areas.*
- *Our own brands grew considerably more than the market on average in Finland and Sweden.*
- *The implementation of customer surveys and new marketing concepts progressed according to plan in the Atria Russia and Baltic business area.*

The importance of product development and marketing as a key competitive factor for Atria Group increased. Operations were reorganised according to the Group's international operating concept and their resources were strengthened. This created excellent opportunities for development efforts aimed at harmonising product development and marketing where applicable in the various business areas within the Group. Such areas are, for example, consumer surveys, planning of distribution channel and consumer marketing, as well as creation of product group-specific marketing tools.

Correctly directed investments

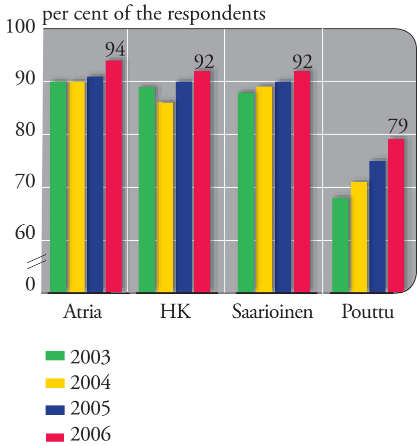
Measured in sales and market shares, Atria Group's product development and marketing investments were correctly directed and effective. Sales growth was strongest in the Atria Russia business area, where a five per cent increase boosted the Group's 25 per cent market share in selected product groups in the concept-based retail trade in St. Petersburg.[1 The Group's position as a market leader was also consolidated in Finland: the total market share in the retail trade was almost 30 per cent.[2 In the Atria Sweden business area the Group's market share in the retail trade increased only a little, whereas the international growth of Atria Concept AB's brand Sibylla is Inside was considerable.[3 In the Atria Baltic business area the product groups and brands were developed more efficiently. Despite this effort the market shares did not develop in line with expectations.

In the Group's two most competitive business areas, Finland and Sweden, the investments in the company's own brands

[1-5) *Source: ACNielsen, 2006*

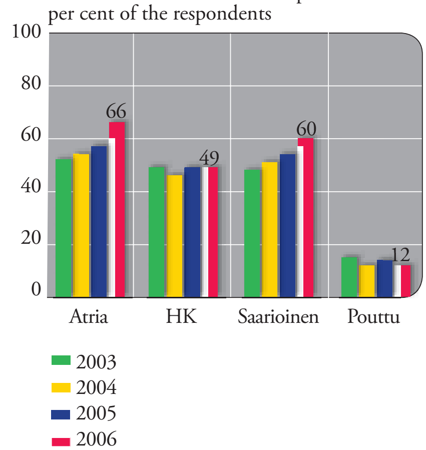
Key indicators of the meat industry's brand/company marketing influence in Finland

Have tried the manufacturer's product
per cent of the respondents



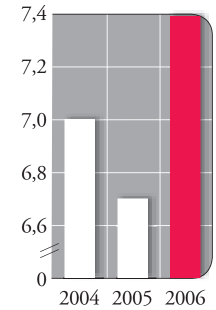
Source: TNS gallup: House brand survey, 2006

Have used the manufacturer's product for a month
per cent of the respondents



Source: TNS gallup: House brand survey, 2006

Atria Group's research and development costs
mill. EUR



proved to be particularly successful. In Finland, sales of Atria brand products grew by almost 15 per cent, while the total market growth was only approximately five per cent.[4] In Sweden, the Lithells brand was twice as successful as the approximately five per cent growth of all brands.[5]

Best consumer knowledge

Atria Group has defined the industry's best consumer knowledge as one of the Group's most important strategic factors. In order to confirm this concept, the Group monitors consumer behaviour with the help of various surveys. They play a considerable part in the Group's product development investments. The surveys are carried out by external and independent research facilities.

Basic studies of the product groups are carried out regularly to analyse the motives for product selection, brand preferences, as well as consumer experiences and expectations of the products. New product concepts and new partnership models specifically tailored to each retail chain are tested thoroughly before they get approval.

BALTIC STRATEGY

45 million challenges

There are a total of approximately 45 million consumers in Atria Group's domestic market, the Baltic Sea region and Russia. They represent six different states, nationalities and cultures where, among other things, trade structure, consumption and eating habits and means available for consumption differ significantly from each other. Atria Group's key challenge in order to achieve international success is to know – and especially to anticipate – the purchasing and eating habits of these 45 million consumers. The company responds to the challenge with increasing investments in consumer surveys. With the help of these surveys the Group decides which distribution channels and product group and brand strategies are best suited to each business area. The Group has considerable experience of research carried out in Finland. Best practices from this research are now transferred to other business areas. Although the Group's short-term research investment is clearly focused on the Atria Russia business area, there has also been an increase in investment efforts focused on the development and effective use of research practices in Sweden.

Pasi Luostarinen
Director
Member of the Management Group in charge of Atria Group's product development and marketing

Atria Group aims to become a leading international company in meat processing and meal solutions in the Baltic Sea region. In accordance with its Baltic strategy, the company has expanded its operations consistently to new market areas during the past decade.

The rapid internationalisation also requires a strong foothold in Finland, which is the Group's largest single business area. The 104-year-old Atria Group has invested in the continuous development of its domestic operations in addition to the company's internationalisation.

104-year-old roots

1903 Kuopion Karjanmyyntiosuuskunta (KKO) founded. Atria Group's history begins.
1910 KKO acquires a sausage factory and Atria's first sausages are produced.
1938 Name changed to Savo-Karjalan Osuusteurastamo (SKO).
1956 Name changed to Lihakunta. Operations also cover industry and trade.
1972 Merger between Lihakunta and Karjapohjola. Operations expanded to northern Finland.
1975 Lihakunta acquires Pohjolan Liha Oy.
1981 Lihakunta acquires part of Osuustukkukauppa's (OTK) meat sector.
1988 Lihapolar Oy is founded. It is responsible for all production operations, sales and marketing.

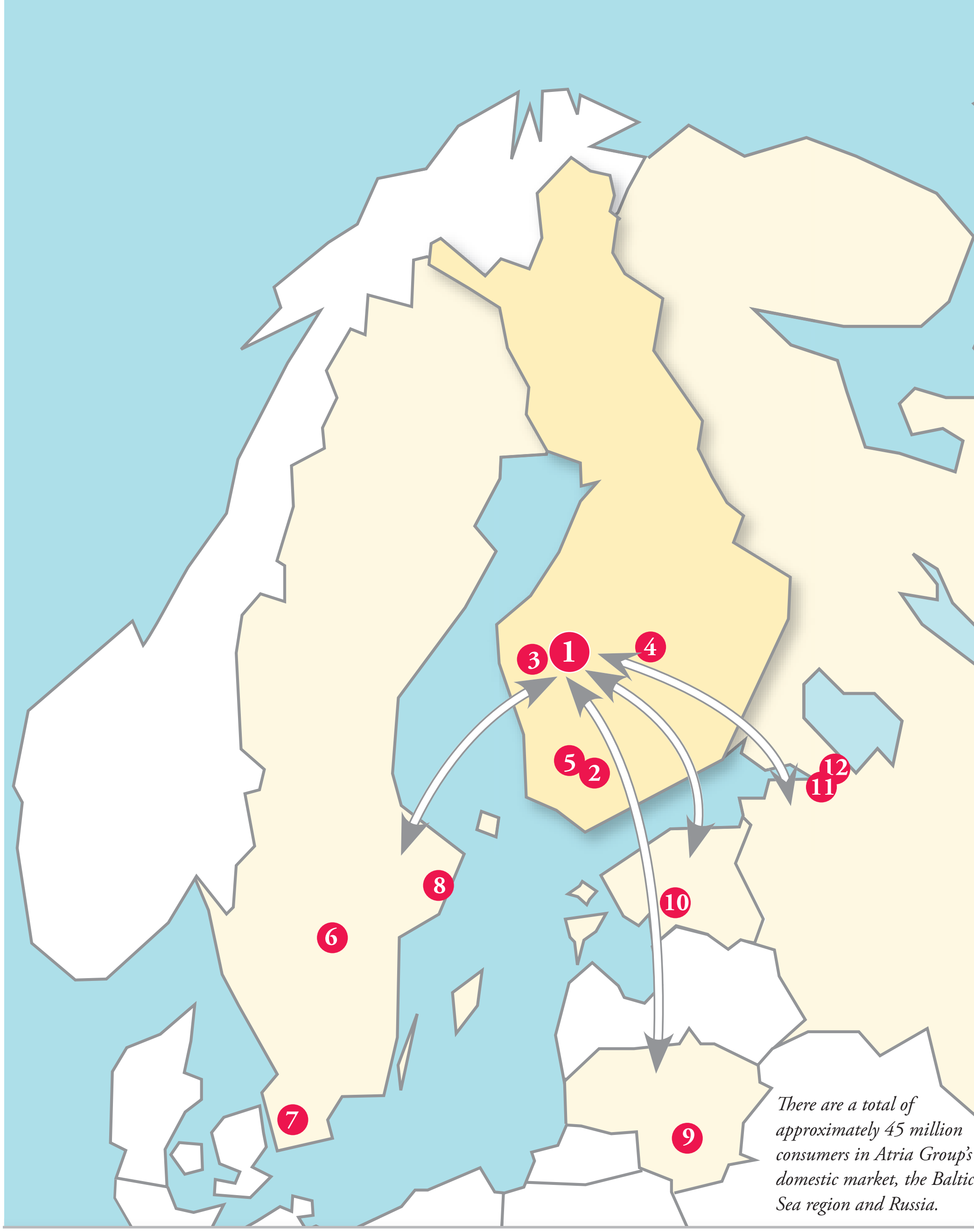
1914 Itikka is founded in Seinäjoki. The history of the second of Atria Group's founding cooperatives begins.
1917 Itikka builds a sausage factory.
1937 Atria's first convenience foods are sold.
1975 Itikka buys a majority share in Maan Liha Oy.
1981 Itikka acquires part of Osuustukkukauppa's (OTK's) meat sector.
1985 Itikka acquires OK-Liha Oy.
1988 Itikka Lihabotnia Oy is founded. All industrial and commercial operations, apart from procurement and animal trading, are transferred to the subsidiary Itikka Lihabotnia Oy.

1990 Lihapolar Oy and Itikka Lihabotnia Oy merge.
1991 Itikka-Lihapolar starts operations.
The company acquires the cooperative Pohjanmaan Liha and goes public.
1994 Name changed to Atria Oyj. The company is listed on the Helsinki Stock Exchange.
1992–1996 Operations heavily centralised on three sites.

Decade of international growth

In Finland

1996 Increased efficiency in Nurmo's convenience food production.
1999 Forssa-based Liha ja Säilyke Oy is acquired as part of the Group.
2000 New logistics centre completed in Nurmo.
2001 Meat procurement and consultation company A-Farmers Ltd is founded in cooperation with Pohjanmaan Liha. Atria Oy's logistics operations are incorporated into A-Logistics Ltd.
2002 Additional poultry production capacity is built in Nurmo.
2003 The Group's parent company is named Atria Group Plc.
2004 Liha ja Säilyke Oy's new logistics centre is completed in Forssa. Atria expands its convenience food operations further when a new unit producing Home Meal Replacement (HMR) products is opened in Karkkila.
2006 One of Europe's most modern pig slaughtering facilities is inaugurated in Nurmo. Liha ja Säilyke Oy's and Atria Oy's overlapping operations are reorganised.
2007 The logistics centre expansion in Nurmo is completed.



There are a total of approximately 45 million consumers in Atria Group's domestic market, the Baltic Sea region and Russia.

Atria Group's production plants

ATRIA FINLAND
1 Nurmo
2 Karkkila
3 Kauhajoki
4 Kuopio
5 Forssa

ATRIA SWEDEN
6 Sköllersta
7 Malmö
8 Stockholm

ATRIA RUSSIA AND BALTIC
9 Vilnius
10 Valga
11 St. Petersburg
12 Sinyavino

Baltic Sea region

SWEDEN

1997 Atria Group acquires Swedish Lithells AB.

2002 The company acquires Swedish company Samfood & Co AB's business operations as part of Lithells AB.

2006 The Group's Swedish local wholesale company Svensk Snabbmat för Storkök AB acquires all of Matgruppen för Storkök i Norr AB's wholesale outlets.

LITHUANIA

2003 Atria Group expands its operations in the Baltic Sea region by acquiring Lithuanian company UAB Vilniaus Mesa.

2004 The company builds a new production plant in Vilnius.

ESTONIA

2005 The Group strengthens its position in the Baltic countries by acquiring Estonian company AS Valga Lihatööstus.

2006 Atria Group's operations in Estonia and Lithuania are integrated into a joint Baltic business operation.

RUSSIA

2005 Atria Group launches its operations in Russia by acquiring St. Petersburg-based OOO Pit-Product.

2006 The company decides to build a logistics centre and a new meat product plant in St. Petersburg.

INVITATION TO ANNUAL GENERAL MEETING

Atria Group Plc's shareholders are invited to the Annual General Meeting (AGM) to be held on Thursday, 3 May 2007, starting at 2pm, at the company's premises in Kuopio (Ankkuritie 2, FI-70460 Kuopio, Finland).

The AGM will address the following:

1. Matters to be addressed at the AGM as set out in Article 16 of the Articles of Association.

2. Board of Directors' proposal to authorise the Board of Directors to decide on share issues

The Board of Directors proposes that the authorisation to decide on share issues be granted as follows. The proposed authorisation would supersede the authorisation for the subscription of new shares that is valid until 3 May 2007.

The Board of Directors proposes that the AGM authorise it to decide on one or more share issues, in which a maximum of 10,000,000 new company Series A shares with a nominal value of EUR 1.70 can be issued. The share issue must increase the company's share capital by at least the total nominal value of the issued shares.

The Board of Directors' authorisation concerns cash share issues. The share issue can also be directed if there is a significant economic reason for this from the viewpoint of the company.

The Board of Directors shall be authorised to decide on all terms and conditions regarding the share issue.

The authorisation shall be valid for five years from the date of the decision taken by the AGM.

3. Board of Directors' proposal to authorise the Board of Directors to decide on increasing the share capital.

The Board of Directors proposes that the AGM authorise the Board to decide on one or more share capital increases, in which the company's share capital can be increased by EUR 850,00 maximum.

The authorisation shall be valid for five years from the date of the decision taken by the AGM.

4. Board of Directors' proposal to amend the Articles of Association

Due to the new Finnish Companies Act, which entered into force in September 2006, the Board of Directors proposes that the current Articles of Association be replaced by new Articles of Association. The proposal includes the following amendments:

- Article 3 concerning minimum and maximum share capital shall be removed. The provisions concerning the minimum and maximum number of shares shall be removed from Article 5.
- The provision regarding the Supervisory Board's right to hire and terminate the employment of the President and the Vice President, as well as decide on their remuneration, shall be removed from Article 9 concerning the Supervisory Board. The statement regarding the President being appointed by the Supervisory Board shall be removed from Article 10 concerning the President.
- The wording of Article 11 concerning the right to sign the company's business name shall be changed so that it defines the right to represent the company in lieu of the right to sign for the company, as required by the new Companies Act.
- Article 14 concerning the financial year shall be removed.
- Article 15 concerning the venue of General Meetings, Notice of Meeting and registration shall be amended in accordance with the new Companies Act.
- Due to the removed provisions, the numbering of Articles 4–15 in the Articles of Association will change.

Financial statements documentation and proposals of the Board of Directors

The documentation associated with the financial statements and the proposals of the Board of Directors mentioned above in Sections 2, 3 and 4 above, with their appendices, will be on view for shareholders as of 26 April 2007 at the company's office in Seinäjoki (address: Vaasantie 1, FI-60100 Seinäjoki, Finland) and at the company's Kuopio office (address: Ankkuritie 2, FI-70460 Kuopio, Finland), as well as on the company web site at www.atria.fi. Copies of the documents will be sent to shareholders upon request.

Participation in and registration for the AGM

The right to attend the Annual General Meeting exists for shareholders who were recorded as shareholders on 23 April 2007 in the company's shareholder register maintained by Finnish Central Securities Depository Ltd, unless otherwise stated by law.

In order to exercise the right to attend the Annual General Meeting, shareholders must notify the company of their intention to do so by 4pm on Friday 27 April 2007. Shareholders may register by mail addressed to Atria Group Plc, Liisa Liukku, PO Box 900, FI-60060 Atria, Finland, or by phone +358 6 416 8306, or by email liisa.liukku@atria.fi by the due date mentioned. The letter of notification must reach its destination before the close of the registration period. Letters of attorney are also to be sent to the place of registration before the close of the registration period.

Auditors

Shareholders in possession of a voting majority in the company have informed the company that they intend to propose that the company's present auditors, chartered accountants Pekka Loikkanen and Eero Suomela, be elected to continue as such, and that the firm of chartered accountants PricewaterhouseCoopers Oy and chartered accountant Markku Tynjälä be appointed as deputy auditors until the closing of the next AGM.

Distribution of dividends

The Board of Directors has decided to propose to the AGM that a dividend of EUR 0.595 be paid for each share for the financial year 2006. According to the proposal, the dividends are to be paid to those shareholders who are entered in the company's register of shareholders kept by Finnish Central Securities Depository Ltd on the record date. The record date for the dividend payment is 8 May 2007, and the date of payment of the dividend is 15 May 2007.

Nurmo, 26 February 2007

ATRIA GROUP PLC

Board of Directors

Analysts

Analysts from at least the following firms of brokers have monitored Atria Group as an investment object during 2006:

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Rauli Juva
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Email: rauli.juva@abnamro.com

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Robert Liljequist
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Email: robert.liljequist@eQonline.fi

Evli Pankki Oyj
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E. Öhman J:or Fondkommission AB
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FIM Securities
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Jutta Rahikainen
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Email: jutta.rahikainen@seb.fi

Stock exchange releases 2006

Atria Group Plc published a total of 30 stock exchange releases or notifications in 2006. Below is a list of their headlines. The releases can be found on the Atria Group website at www.atria.fi > Stock Exchange Releases > Release Archive 2006.

16 Jan. ***release:*** Christer Åberg is appointed Managing Director of Lithells AB
27 Jan. ***release:*** Plans by Atria and HK Ruokatalo to work together in the turkey business
3 Feb. ***notification:*** Appointments in Atria's administration
27 Feb. ***release:*** Atria Group Plc's financial statements 1 January–31 December 2005
6 Apr. ***notification:*** Invitation to the General Meeting
28 Apr. ***release:*** Atria Group Plc's interim report 1 January–31 March 2006
3 May ***release:*** Atria Group Plc's Annual General Meeting 3 May 2006
9 May ***release:*** Atria Group Plc is preparing a share issue directed at institutional investors – the submission of subscription commitments will commence on 9 May 2006
10 May ***release:*** Atria Group Plc's share issue will be exercised
15 May ***release:*** Atria Group Plc's share issue subscriptions have been approved
16 May ***release:*** Atria Group revises its operating concept
16 May ***release:*** Atria Group Plc's increase of share capital entered into the trade register
16 May ***release:*** HSE: Atria Group Plc's directed issue
27 Jun. ***notification:*** Election of the Board members and the Chairmen of Atria Group Plc
29 Jun. ***release:*** Atria and HK Ruokatalo to establish turkey meat joint venture
17 Jul. ***release:*** The sale of Atria shares not converted to book-entry system
18 Jul. ***release:*** Atria shares not converted to book-entry system have been sold
26 Jul. ***release:*** Atria Group Plc's interim report 1 January–30 June 2006
31 Jul. ***release:*** Liha ja Säilyke Oy and Atria Oy operations integrated
4 Sep. ***release:*** Svensk Snabbmat för Storkök AB strengthens its position in Sweden
5 Sep. ***release:*** Atria raises efficiency of Baltic operations
22 Sep. ***release:*** New General Manager for Atria Russia (OOO Pit-Product)
10 Oct. ***release:*** Seija Pietilä new Group Vice President of Human Resources in Atria Group
25 Oct. ***release:*** Atria builds meat production plant and logistics centre in Russia
25 Oct. ***release:*** Atria Group Plc's interim report 1 January–30 September 2006
1 Nov. ***release:*** Kimmo Lautanen appointed Atria's CFO
28 Nov. ***release:*** Atria offers Swedish Meats a true partnership
11 Dec. ***release:*** Atria specifies its offer to Swedish Meats published on 28 November 2006 and offers an alternate split of the purchase consideration with higher voting rights
22 Dec. ***release:*** Atria to acquire A-Farmers Ltd – Atria's hold of the value chain strengthens
22 Dec. ***notification:*** Atria Group Plc's interim reports in 2007 and preliminary report 2006

Report by the Board of Directors for 1 January–31 December 2006

A year of developing international operations

Atria Group implemented a significant change to the organisation's operational model in 2006: a Management Group was established for the Group. All functions concerning the entire Group are represented in the Management Group: Primary Production, Quality and Product Safety, International Accounts, Information Management, Steering and Logistics, Finance and Administration, Purchasing and Investments, and HR. Another crucial reform was the division of the Group into three independently accountable business areas, which include Atria Finland, Atria Sweden, and Atria Russia and Baltic.

The purpose of reforming the operational model has been to clarify accountability for business results, enable faster decision-making processes, and especially to weave Atria's international operations more tightly into the Group strategy. The new operational model will better support the Group's international operations and boost the operative efficiency of the business areas.

The Board of Directors of Atria Group Plc published the economic objectives set for its operations:

• Operating profit	5%
• Equity ratio	40%
• Share of international operations	50%
• Return on equity	12%
• Dividend distribution of profit from period	50%

In Finland, the development of Atria's operations remained strong throughout the year. Atria joined forces with HK Ruokatalo Group Plc to search for solutions for the weak profits from turkey operations. Atria and HK Ruokatalo established a turkey meat production company, Länsi-Kalkkuna Oy, the ownership of which was equally shared between the companies (50/50). The turkey meat production company launched its production operations at the beginning of 2007. The cooperation applies to primary production, slaughtering and cutting.

Atria's subsidiary A-Rehu Oy tightened its cooperation with Altia Corporation in the feed component trade. A-Rehu Oy will take responsibility for producing cattle feed from feed components generated by fuel ethanol production. A-Rehu is actively striving to reduce the production costs of farms by creating inexpensive feed solutions, which is made possible by the agreement with Altia.

A structural reorganisation of Atria's meat buying chain in Finland was implemented on 22 December 2006, when the majority of A-Farmers Ltd's share capital was transferred to Atria Group Plc. The transaction streamlines the meat buying chain and thus strengthens the competitiveness of the entire production chain.

A new, modern pig slaughterhouse was taken into use at Atria's Nurmo plant, and pig slaughtering operations were terminated at the Kuopio plant. The new slaughtering line has doubled the processing capacity at the Nurmo plant and the animals previously processed in Kuopio can now be processed centrally in one place.

The construction of the Nurmo logistics centre expansion progressed according to plan. The EUR 40 million investment will be completed in stages so that the first deliveries are packaged at the new logistics centre in March 2007.

Atria Russia's operations developed in a positive direction. The Pit-Product takeover was completed according to plan, and the entire management organisation was restructured. At the end of the year, a significant investment decision was made in order to develop Russian operations: a new meat processing plant and logistics centre will be built in St. Petersburg. The investment is valued at approximately EUR 70 million, and construction will begin in early 2007.

Svensk Snabbmat för Storkök AB, which specialises in local wholesale operations, strengthened its position in the Swedish market. Svensk Snabbmat för Storkök AB and Matgruppen för Storkök i Norr AB signed an agreement on company reorganisation, the result of which was the transfer of Matgruppen i Norr AB's outlets to the ownership of Svensk Snabbmat för Storkök AB. At the same time, the current outlet owners became shareholders in Svensk Snabbmat. Atria continues as a majority shareholder in the company.

The combined 2006 turnover of the wholesale businesses now owned by Svensk Snabbmat was more than SEK 500 million. As a result of the transaction, the annual turnover of Svensk Snabbmat will increase to almost SEK 2 billion. Following the reorganisation, Svensk Snabbmat now has a total of 18 offices covering all of Sweden. The acquired companies were consolidated into Atria Group as of 1 November 2006. The joining of Matgruppen with Svensk Snabbmat at the beginning of November improved the company's profit. The purchase price was EUR 22.1 million. Of the purchase price, EUR 12.8 million was directed towards customer relationships. With the transaction, goodwill within the Group increased by EUR 4.6 million.

During the autumn, Atria negotiated the acquisition of Sweden's largest meat company, Swedish Meats.

Atria's operations have not grown as expected in the Baltic countries, which is why the company's operations in Lithuania and Estonia were merged into one unit, Atria Baltic. The objective is to seek synergies in our Baltic business operations and create closer cooperation with Atria Group. Atria Group's profitability in the Baltic region has been unsatisfactory, which is why operations will now be tightened and overlapping functions removed.

Atria market leader in Finland and the St. Petersburg area

Atria's turnover in Finland amounted to EUR 686.1 million, representing growth of 8.2 per cent over the previous year. Operating profit amounted to EUR 33.4 million. In Finland, Atria's total market share was almost 30 per cent.

In Sweden, turnover amounted to EUR 336.4 million, representing growth of 7.1 per cent. Operating profit amounted to EUR 15.1 million. In Sweden, the sales of Lithells products showed satisfactory growth; sales in the retail trade increased by approximately five per cent over the previous year.

Turnover in Russia and the Baltic region amounted to EUR 104.6 million and the business area showed an operating loss of EUR 7.0 million. In 2006 Atria consolidated its position in terms of market share, especially in the St. Petersburg area. The market share of Pit-Product's products in the modern retail trade increased during the year by 25.1 percentage points. In the Baltic region, Atria's operations were minor: in Estonia the company's market share in its product groups was approximately twelve per cent and in Lithuania it was six per cent.

Key indicators:	2006	2005	2004
Turnover	1,103.3	976.9	833.7
Operating profit	41.5*	40.2	49.3*
Operating profit, % of turnover	3.8	4.1	5.9
Return on equity, %	8.8	10.0	13.9
Return on investments, %	8.7	10.3	13.9
Equity ratio, %	42.8	43.0	50.9
* includes non-recurring revenue and costs total	8.0		8.1

Earnings

The Group's operating profit amounted to EUR 41.5 million (EUR 40.2 million). Operating profit for 2006 includes non-recurring revenue and costs. The most significant revenue in Sweden was the profit received from the sale of the Svensk Snabbmat För Storkök AB shares, and the largest costs were caused by the removal of a company's brand in Lithuania. The non-recurrent items were booked during the last quarter. At the beginning of the year, earnings in all our market areas were down in comparison with the previous year. Summer sales went well both in Finland and in Sweden, and earnings in Russia also took a positive turn. The rest of the year was a time of positive growth for both earnings and business operations in a wider sense in all business areas.

Research and development operations

Atria Group's operating area in the Baltic Sea region comprises several different food cultures, and consumer behaviour is affected by, for example, eating habits, trade structure and social order. Atria monitors consumer behaviour with the help of various surveys. The majority of the research involves testing of new and old products. In addition, information on current phenomena and general trends in connection with food is continuously being gathered.

Funds used for Atria Group's research and development operations for the period 2004–2006:

	2006	2005	2004
Research and development operations, Mill. EUR	7.4	6.7	7.0
% of turnover	0.7	0.7	0.8

Financing

In May 2006 Atria Group Plc completed a directed share issue. Shares were offered to predefined institutional investors in Finland and internationally. The entire new offering of 1,100,000 series A shares was subscribed to. The share capital increase of EUR 1,870,000 was registered on 16 May 2006.

In the A-Farmers Ltd transaction, Atria Group Plc acquired a total of 10,000,000 A-Farmers Ltd's series A shares from Itikka osuuskunta and Lihakunta. Following the transaction, Atria holds approximately 97.9 per cent of the issued share capital of A-Farmers Ltd and 99.0 per cent of the votes.

The transaction was priced at A-Farmers' equity value. Atria paid a total of 900,000 new series A shares and EUR 1,283,308 in currency. The shares were offered for subscription by a decision of the company's Board of Directors based on the authorisation of the AGM on 3 May 2006. According to the agreement, the subscription price is the higher of the following: the trading-volume-weighted average from the period 7 December 2006–20 December 2006, or the closing price on 20 December 2006. The subscription price was EUR 18.50 per share according to the closing price. As a result of the share issue, Atria Group Plc's share capital will increase from EUR 37,727,637.60 to EUR 39,257,637.60. The number of series A shares will increase from 12,988,747 to 13,888,747.

In the autumn the company issued a EUR 40 million bond to institutional investors. The bond was used to replace short-term financing.

Svensk Snabbmat för Storkök AB and Matgruppen för Storkök i Norr AB carried out a company reorganisation, the result of which was the transfer of Matgruppen för Storkök i Norr AB's operations to the ownership of Svensk Snabbmat för Storkök AB. Matgruppen's owners became shareholders in Svensk Snabbmat, with Atria continuing as the majority shareholder.

The purchase was financed by loans totalling SEK 200 million from Swedish banks.

Risk management is everyday operations in a food industry company

Atria Group's risk management operations are systematic and preemptive. The company has categorised the risks related to its operations into strategic, operative and financial risks, and risk of loss, damage or injury. These risks are analysed and managed pre-emptively.

Strategic risks for a food industry company with international operations include the competitive situation in international industry and trade, as well as the international supply and pricing of raw materials. Global and European political decisions concerning meat production may constitute a risk for Atria Group's raw material procurement.

Operative risks include IT system reliability in automated logistics centres and other automated production. Other everyday operative risks include raw material price fluctuations, product development progressiveness, financial performance among the suppliers, structural changes in trade, internationalisation, etc.

The most significant financial risk for the Group is the unstable rouble exchange rate. The majority of Pit-Product's financing is handled in roubles.

Risk of loss, damage or injury in the food industry includes product safety and product liability risks. Industrial production also causes fire hazards and other potential risks of damage. The above-mentioned risks have been covered with insurance.

Changes in administration and operative organisation

Matti Tikkakoski, MSc. (Econ.), took over as President and CEO of Atria Group on 1 February 2006. He was also appointed to Atria Group's Board of Directors to replace Seppo Paatelainen.

On 27 June Atria Group Plc's Supervisory Board appointed Leena Saarinen to the Board of Directors to replace retiring member Erkki Roivas. Retiring members Tuomo Heikkilä and Ilkka Yliluoma were reappointed.

Christer Åberg was appointed Managing Director of Lithells AB as of 1 April 2006. Juha Ruohola assumed the duties of Managing Director of Pit-Product on 1 November 2006.

Seija Pietilä was appointed new Group Vice President, Human Resources as of 4 December 2006.

Atria Group Plc's administration is described in more detail under the heading Corporate Governance Principles.

Human Resources average	2006	2005	2004
Atria Finland	2,325	2,318	2,209
Atria Sweden	1,206	1,152	1,218
Atria Russia	1,528	286	
Atria Baltic	681	677	211
Atria Group total	5,740	4,433,	3,638
Salaries and benefits for the period Group total (million EUR)	144.8	131.5	119.9

Environment

Atria Group's environmental management system aims to control the use of natural resources and to protect environment. The Group conforms to effective environmental legislation and authority regulations in its business operations.

Atria Group is committed to the principle of sustainable improvement. This means that we recognise the environmental risks and impacts of our operations and set our goals according to them. Environmental programmes are prepared for three-year periods in order to achieve the set goals.

Atria Oy's (from the beginning of 2007 Atria Finland Ltd) environmental goals for the period 2006–2008 are six in total:

- To reduce the consumption of energy and natural resources
- To reduce the amount of waste and the load inflicted by wastewater, to improve waste sorting and to explore new utilisation methods
- To maximise user safety of environmentally harmful substances
- To increase environmental awareness among employees and partners
- To understand the environmental impacts of primary production
- To recognise the environmental impacts of deliveries.

A Quality Management Group was established for the Group, which strives to standardise certain environmental operational models within the Group. Atria Group maintains operations in five countries, each of which has its own, national environmental legislation. Observing these laws and regulations is the starting point for creating common operational models.

Significant events after the end of the financial year

Atria Group Plc announced the purchase of the majority of Swedish AB Sardus on 19 February 2007. The purchase price paid by Atria for 57.1 per cent of the shares was EUR 80 million. The parent company intends to acquire the entire share capital of Sardus. The transaction was closed at a share price of SEK 115, and the rest of the shares will be purchased at the same price. The total purchase price will thus be EUR 126 million. Together with various acquisition costs, the total cost of the acquisition will be EUR 127 million.

The purchase price exceeds the equity of the company as listed in the balance sheet by EUR 86 million. The overpricing will be targeted at the tangible and intangible assets of the acquired Group according to IFRS regulations, with the remaining proportion becoming goodwill value.

The table below contains the Group's unaudited income statement and balance sheet according to the financial statement bulletin published by Sardus on 31 January 2007. Reference data from the previous year is included.

Income statement, 1 Jan–31 Dec	2006	2005
Turnover	232.1	210.2
Operating profit	8.9	10.5
Financing	-4.9	-4.0
Profit before taxes	4.0	6.5
Taxes	-1.0	-1.8
Profit for the period	3.0	4.7

Balance sheet, 31 Dec Assets	2006	2005
Tangible assets	54.5	55.8
Intangible assets	46.3	46.8
Financial assets	0.1	0.3
Inventories	25.7	24.2
Trade and other receivables	30.4	25.1
Cash in hand and at bank	6.0	9.1
Total	163.0	161.4
Equity and liabilities		
Shareholders' equity	40.7	41.1
Long-term borrowed capital	92.5	90.5
Short-term borrowed capital	29.8	29.8
Total	163.0	161.4

Atria Group has had no mutual trade with Sardus. Hence the effects of the transaction on the result of Atria Group can be assumed to equal the information in Sardus' income statement for 2006; in other words, the Group's turnover should increase by the amount of Sardus' turnover. In addition to the profit brought in by Sardus, the financing costs of the transaction and possible depreciations of tangible and intangible assets due to the targeting of the purchase price will also have an effect on Atria Group's financial result.

Sardus is undergoing a development programme aiming at improving profitability. The goal of the project is to launch a strong profit development. Management has been reorganised and personnel cuts will be made to improve profitability. Purchases, production and logistics will be the main targets of the cost savings. Sardus is aiming at annual savings of approximately EUR 6.5 million in these areas over the next five years. Other central objectives of the development plan are to strengthen the company's brands and to intensify marketing and product development.

The purchase is expected to have a positive effect on Atria Group's profit and the earnings per share for 2008.

Atria Group Plc will finance the share transaction with available cash and current bank loans. The annual interest burden caused by the financing of the transaction is estimated to be EUR 5 million.

As a consequence of the transaction, the Group's balance sheet total will increase to EUR 980 million, which means an equity ratio of 32 per cent.

The purchase is part of Atria Group's goal of becoming one of the leading food industry companies in the Baltic Sea region.

The Swedish food industry is undergoing structural change and integration development, and there are a limited number of major operators. Price competition has been tightened by the emergence of new discount chains operating in daily consumer goods retail, as well as by the rising market share of private brands. The merging of Atria Group and Sardus will strengthen the ability of both companies to respond to the new challenges set by the integrating markets.

There is a clear industrial logic behind the purchase. Together, the companies will complement each other and form a stronger operator with a wide selection of strong brands. The merger is expected to produce synergy benefits in product development, purchases, logistics, production and marketing. The wider product range and the synergy benefits will form the main accelerators of growth, and they strengthen the brands and product groups of both companies.

After the merger, Atria Group and Sardus will have the potential to become one of Sweden's leading food industry suppliers and business partners for customers operating in daily consumer goods, institutional kitchens and fast food. The position of the companies will also be strengthened in relation to other interest groups.

Sardus will be integrated with Atria's industrial operations in Sweden and reported within the Swedish segment.

From the beginning of 2007, the names of Atria Group's subsidiaries operating in various geographical areas were unified under the Atria name. The operations in Finland are run by Atria Finland Ltd, in Sweden by Atria AB, in the Baltic countries by Atria Baltic and in Russia by Atria Russia. This will also cause adjustments to segment reporting, starting from the beginning of 2007.

Outlook for 2007

Atria Group has excellent prerequisites for profitable growth in its larger business areas.

In Finland, completed investments and reorganisation measures have significantly improved cost-efficiency. This competitive advantage will be utilised to its full extent. Atria will also continue to invest in strengthening its brands, increasing consumer knowledge and promoting customer cooperation, as well as in achieving excellent cost management throughout the entire production chain.

Atria Sweden will invest in strengthening the Lithells and Sibylla brands, as well as launching new product groups. The merging of Sardus and Atria Group will give a significant boost to core operations especially in cold cuts. An integration process in order to map the synergy benefits will be carried out during 2007. In Sweden, Atria will be paying special attention to securing its raw material supply. We will look into the possibilities of creating our own raw material supply in southern Sweden.

The strong development of the Russian market is creating excellent growth opportunities for Atria. In 2007 sales operations will be expanded to Moscow and other major Russian cities. New products and product groups will be launched in Russia, and consumer marketing and finding new customers will be important investment targets. The Russian production plant and logistics centre investment programme will be implemented in 2007–2008. A programme for reorganisation of operations in the Baltic region was initiated in 2006.

Atria Group Plc's share capital

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

A series shares	(1 vote/share)	13,888,747
KII series shares	(10 votes/share)	9,203,981

The A series shares have preference to a 10 per cent dividend on the nominal value of the share, after which the KII series shares are paid dividend of up to 10 per cent of the nominal value. If there is still more dividend available for distribution, A and KII series shares have the same entitlement to the dividend.

If a KII series share is transferred to a party outside the company, or a KII series share is transferred to a shareholder within the company who does not previously own KII series shares, the transferee must inform the Board of Directors without delay and a KII series shareholder has the right to pre-emptively purchase the share under the following conditions:

The acquisition of KII series shares by means of transfer requires approval by the company. A series shares have no such limitations.

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

Board of Directors' share issue authorisation

The Annual General Meeting on 3 May 2006 authorised the Board of Directors to decide on increasing the company's share capital by a maximum of 4,218,545 shares. The Board of Directors has used this authorisation for 2,000,000 shares. The authorisation is valid until the AGM in 2007.

Board of Directors' proposal for use of profit

The parent company's distributable profit amounts to EUR 60,228,685, of which profit for the period totals EUR 13,520,807.

The Board of Directors will propose to the AGM that the distributable profits are used as follows:

• a dividend of EUR 0.595/share is paid totalling	EUR 13,740,173
• added to shareholders' equity	EUR 46,488,512
	EUR 60,228,685

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

ATRIA GROUP PLC SHARES AND SHAREHOLDERS

BREAKDOWN OF SHARE OWNERSHIP

Shareholders according to the number of shares owned, 31 Dec 2006 Number of shares	Shareholders no.	%	Shares 1,000	%
1-100	3,885	50.47	161	0.70
101-1,000	3,206	41.65	1,177	5.10
1,001-10,000	535	6.95	1,311	5.68
10,001-100,000	53	0.69	1,632	7.07
100,001-1,000,000	14	0.18	3,558	15.41
1,000,001-999,999,999,999	4	0.05	15,254	66.05
Total	7,697	100.00	23,093	100.00

Shareholders by business sector, 31 Dec 2006 Business sector	Shareholders no.	%	Shares 1,000	%
Companies	330	4.29	14,013	60.68
Financial and insurance institutions	41	0.53	1,833	7.94
Public corporations	15	0.20	665	2.88
Non-profit associations	114	1.48	531	2.30
Households	7,180	93.28	2,379	10.30
Foreign owners	17	0.22	2,162	9.36
Total	7,697	100.00	21,583	93.46
Nominee-registered, total	7		1,509	6.54

INFORMATION ON SHAREHOLDERS

Major shareholders, 31 Dec 2006	KII	A	Total	%
Lihakunta	4,020,200	2,352,232	6,372,432	27.59
Itikka Co-operative	4,914,281	1,301,801	6,216,082	26.92
Odin Norden		1,427,100	1,427,100	6.18
Skandinaviska Enskilda Banken AB		1,238,006	1,238,006	5.36
Pohjanmaan Liha Co-operative	269,500	380,038	649,538	2.81
OP-Suomi Arvo investment fund		548,300	548,300	2.37
Odin Forvaltnings As		480,400	480,400	2.08
Nordea Bank Finland Plc		254,932	254,932	1.10
Säästöpankki Kotimaa investment fund		242,400	242,400	1.05
Public pension insurance company Veritas		236,500	236,500	1.02

Major shareholders according to voting rights, 31 Dec 2006	KII	A	Total	%
Itikka Co-operative	49,142,810	1,301,801	50,444,611	47.62
Lihakunta	40,202,000	2,352,232	42,554,232	40.17
Pohjanmaan Liha Co-operative	2,695,000	380,038	3,075,038	2.90
Odin Norden		1,427,100	1,427,100	1.35
Skandinaviska Enskilda Banken AB		1,238,006	1,238,006	1.17
OP-Suomi Arvo investment fund		548,300	548,300	0.52
Odin Forvaltnings As		480,400	480,400	0.45
Nordea Bank Finland Plc		254,932	254,932	0.24
Säästöpankki Kotimaa investment fund		242,400	242,400	0.23
Public pension insurance company Veritas		236,500	236,500	0.22

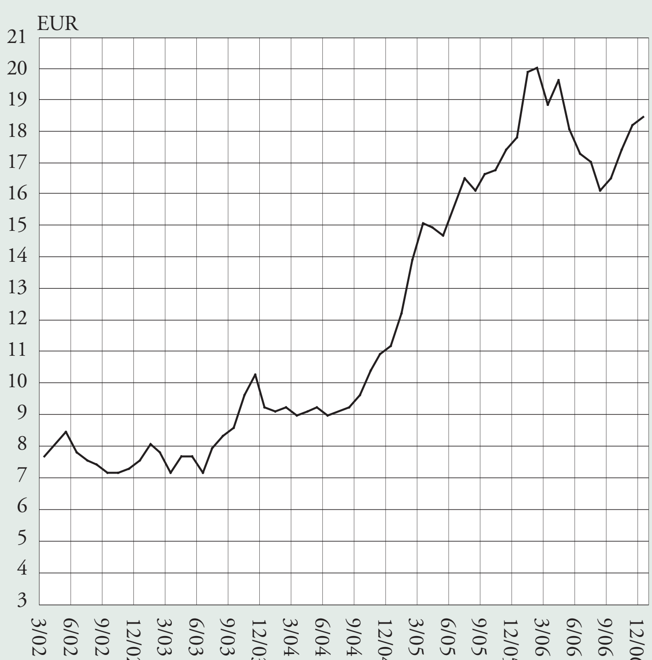
MANAGEMENT'S SHAREHOLDING

The members of the Board of Directors and Supervisory Board, and the CEO and deputy CEO owned a total of 24,407 A series shares on 31 Dec 2006, which corresponds to 0.11 per cent of the shares and 0.02 per cent of the voting rights.

MONTHLY TRADING VOLUME OF A SERIES SHARES IN 2006

Month	Turnover, euro	Turnover, shares	Month low	Month high
January	9,647,206	484,497	17.77	21.24
February	11,288,633	568,484	17.89	21.50
March	6,847,811	364,349	18.12	19.39
April	2,183,173	111,466	19.13	20.15
May	9,835,774	545,066	15.00	20.12
June	2,246,377	130,500	16.52	18.20
July	1,732,048	102,064	16.29	17.60
August	4,832,258	300,154	15.51	16.90
September	5,802,989	349,895	16.03	16.99
October	5,588,955	321,167	16.60	20.16
November	8,499,947	467,461	16.00	19.77
December	2,836,380	153,892	17.74	18.94
Total	71,341,551	3,898,995		

TREND IN THE PRICE OF THE A SERIES SHARE 2002–2006 AVERAGE PRICE



GROUP INDICATORS

FINANCIAL INDICATORS

	IFRS 31 Dec 2006	IFRS 31 Dec 2005	IFRS 31 Dec 2004	FAS 31 Dec 2004	FAS 31 Dec 2003	FAS 31 Dec 2002
Turnover, mill. EUR	1 103.3	976.9	833.7	833.7	765.1	707.0
Operating profit, mill. EUR	41.5	40.2	49.3	38.8	30.9	25.6
% of turnover	3.8	4.1	5.9	4.7	4.0	3.6
Financial income and expenses, mill. EUR	-7.3	-3.2	-5.2	-5.1	-7.3	-5.2
% of turnover	0.6	0.3	0.6	0.6	0.9	0.7
Profit before tax	34.6	37.8	44.6	33.7	23.6	20.4
% of turnover	3.1	3.9	5.3	4.0	3.1	2.9
Return on equity (ROE), %	8.8	10.0	13.9	10.3	7.5	7.7
Return on investment (ROI), %	8.7	10.3	13.9	10.7	9.1	7.9
Equity ratio, %	42.8	43.0	50.9	51.3	49.6	43.3
Gross investments, mill. EUR	89.0	107.3	37.3	33.8	36.4	66.0
% of turnover	8.1	11.0	4.5	4.1	4.8	9.3
Interest-bearing liabilities	244.2	206.9	116.1	110.3	129.4	157.9
Employee numbers	5,740	4,433	3,638	3,638	3,377	3,300
Research and development costs, mill. EUR	7.4	6.7	7.0	7.0	6.7	6.1
% of turnover*	0.7	0.7	0.8	0.8	0.9	0.9
Volume of orders**	-	-	-	-	-	-

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

Formulas for indicators:

$$\text{Return on equity (\%)} = \frac{\text{Profit for the period}}{\text{Shareholders' equity (average for the period)}} \times 100$$

$$\text{Return on investments (\%)} = \frac{\text{Profit before tax + interest expenses and other financial expenses}}{\text{Balance sheet total – non interest-bearing liabilities (average for the period)}} \times 100$$

$$\text{Equity ratio (\%)} = \frac{\text{Shareholders' equity}}{\text{Balance sheet total – advance payments received}} \times 100$$

$$\text{Basic earnings/share} = \frac{\text{Profit for the period belonging to the owners of the parent company}}{\text{Average share issue-adjusted number of shares for the period}}$$

$$\text{Equity/share} = \frac{\text{Equity belonging to the owners of the parent company}}{\text{Share issue-adjusted number of shares at the end of the period}}$$

SHARE-ISSUE ADJUSTED PER-SHARE INDICATORS

		IFRS 31 Dec 2006	IFRS 31 Dec 2005	IFRS 31 Dec 2004	FAS 31 Dec 2004	FAS 31 Dec 2003	FAS 31 Dec 2002
Earnings per share (EPS), EUR		1.15	1.24	1.58	1.17	0.83	0.78
Shareholders' equity per share, EUR		13.28	12.08	11.58	11.42	10.65	10.45
Dividend/share, EUR*		0.595	0.595	0.595	0.595	0.425	0.372
Dividend/profit, %*		51.7	48.0	37.7	50.7	51.5	47.8
Effective dividend yield*		3.3	3.3	5.3	5.3	4.7	5.5
Price/earnings (P/E)		15.9	14.5	7.2	9.6	10.9	8.7
Market capitalisation, mill. EUR		422.4	379.5	238.3	238.3	190.9	121.8
Share turnover/1,000 shares	A	3,899	5,704	3,800	3,800	2,325	1,249
Share turnover, %	A	28.1	48.0	32.0	32.0	29.9	18.9
Number of shares, million, total		23.1	21.1	21.1	21.1	21.1	15.8
Number of shares	A	13.9	11.9	11.9	11.9	11.9	6.6
	KII	9.2	9.2	9.2	9.2	9.2	9.2
Share issue-adjusted average number of shares		21.8	21.1	21.1	21.1	18.3	18.1
Share issue-adjusted number of shares on 31 December		23.1	21.1	21.1	21.1	21.1	18.1
SHARE PRICE DEVELOPMENT							
Lowest of period	A	15.00	11.50	8.55	8.55	6.81	5.85
Highest of period	A	21.50	18.18	11.75	11.75	11.40	8.90
At end of period	A	18.29	17.99	11.30	11.30	9.05	7.70
Average price during period	A	18.31	15.33	9.42	9.42	9.20	7.35

*Proposal from the Board of Directors

$$\text{Dividend/share} = \frac{\text{Dividend paid for the period}}{\text{Profit for the period belonging to the owners of the parent company}}$$

$$\text{Dividend/profit (\%)} = \frac{\text{Dividend/share}}{\text{Earnings/share}} \times 100$$

$$\text{Effective dividend yield (\%)} = \frac{\text{Dividend/share}}{\text{Share issue-adjusted closing price}} \times 100$$

$$\text{Price/earnings (P/E)} = \frac{\text{Share issue-adjusted closing price}}{\text{Earnings/share}}$$

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

CONSOLIDATED BALANCE SHEET, EUR 1,000

Assets	Notes	31 Dec 2006	31 Dec 2005
Non-current assets			
Property, plant and equipment	1, 29	362,770	329,329
Goodwill	2	57,653	50,061
Other intangible assets	2	33,317	22,744
Investments in joint ventures and associates	3	4,996	4,567
Other financial assets	4	1,316	1,189
Loan assets and other receivables	5	6,391	4,592
Deferred tax assets	6	499	546
Total		466,942	413,028
Current assets			
Inventories	7, 29	63,387	58,637
Trade and other receivables	8	165,873	150,987
Cash and cash equivalents	9	35,427	17,460
Total		264,687	227,084
Total assets	14	731,629	640,112

Equity and liabilities	Notes	31 Dec 2006	31 Dec 2005
Equity belonging to the owners of the parent company	10		
Share capital		39,258	35,858
Share premium		138,502	104,352
Translation differences		808	-929
Retained earnings		128,080	115,525
Total		306,648	254,806
Minority interest		5,828	20,210
Equity, total		312,476	275,016
Non-current liabilities			
Deferred tax liabilities	6	26,906	22,520
Pension obligations	11	341	368
Interest-bearing liabilities	12	165,354	115,500
Total		192,601	138,388
Current liabilities			
Trade and other payables	13	144,646	132,949
Current tax expense for the period		3,067	2,403
Interest-bearing liabilities	12	78,839	91,356
Total		226,552	226,708
Total liabilities		419,153	365,096
Equity and liabilities, total	14	731,629	640,112

CONSOLIDATED INCOME STATEMENT, EUR 1,000

	Notes	1 Jan-31 Dec 2006	1 Jan-31 Dec 2005
Turnover	14, 15	1,103,296	976,893
Other operating income	16	11,174	2,607
Increase (+) and decrease (-) in the stock of finished and unfinished products		3,928	3,217
Materials and services	17	-704,471	-620,391
Employee benefits	18	-187,411	-174,898
Depreciation and impairment	14, 19	-37,830	-31,411
Other operating expenses	20	-147,153	-115,850
Operating profit	14	41,533	40,167
Financial income	22	3,384	3,583
Financial expenses	22	-10,724	-6,725
Income from joint ventures and associates	3	377	795
Profit before tax		34,570	37,820
Income taxes	23	-8,006	-9,958
Deferred tax	6, 23	-583	-843
Profit for the period		25,981	27,019
Profit distribution for the period:			
To parent company shareholders		25,105	26,164
To minority shares		876	855
Total		25,981	27,019
Earnings per share calculated from the profit of the period for the parent company shareholders:			
Basic and diluted earnings per share, €	24	1.15	1.24

CALCULATION OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE GROUP, EUR 1,000

	Equity belonging to the owners of the parent company					Minority interest share	Share-holders' equity in total
	Share capital	Above par rate funds	Share premium	Retained earnings	Total		
Shareholders' equity 1 Jan 2005	35,858	104,352	400	103,664	244,274	19,572	263,846
Translation differences			-1,329		-1,329	-78	-1,407
Other changes				-1,616	-1,616	-139	-1,755
Profit for the period				26,164	26,164	855	27,019
Distribution of dividends				-12,687	-12,687		-12,687
Shareholders' equity, 31 Dec 2005	35,858	104,352	-929	115,525	254,806	20,210	275,016
Translation differences			1,737		1,737	78	1,815
Other changes						-14,878	-14,878
Profit for the period				25,105	25,105	876	25,981
Distribution of dividends				-12,550	-12,550	-458	-13,008
Share issue	3,400	34,150			37,550		37,550
Shareholders' equity, 31 Dec 2006	39,258	138,502	808	128,080	306,648	5,828	312,476

CASH FLOW STATEMENT FOR THE GROUP, EUR 1,000

	Notes	1 Jan-31 Dec 2006	1 Jan-31 Dec 2005
Cash flow from operating activities			
Sales income		1,094,843	959,065
Incomes from other operations		1,080	1,883
Payments on operating expenses		-1,033,705	-901,742
Interest paid and payments on other operating expenses		-9,892	-6,492
Dividends received		285	253
Interests received		3,299	3,554
Tax expenses paid		-8,232	-9,674
Cash flow from operating activities		47,678	46,847
Cash flow from investments			
Acquisition of subsidiaries subtracted by their cash flow at moment of acquisition	15	-16,145	-36,895
Investments in tangible and intangible assets		-52,735	-61,312
Investments		-2,125	-3,450
Cash flow from investments		-71,005	-101,657
Cash flow from financing			
Share issue income		20,900	
Draw down of long-term loans		99,740	91,373
Repayment of long-term loans		-65,995	-19,172
Dividends paid		-13,008	-12,685
Cash flow from financing		41,637	59,516
Change in liquid funds		18,310	4,706
Cash and cash equivalents at the start of the period		17,460	12,637
Effect of exchange rate changes		-343	117
Cash and cash equivalents at the end of the period		35,427	17,460

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Basic corporate information

The parent company of the Atria Group, Atria Group Plc, is a Finnish public company formed in accordance with Finnish law, and its domicile is Kuopio, Finland. The company's shares have been quoted on the Helsinki Stock Exchange since 1991. Copies of the consolidated financial statements are available at www.atria.fi or from the Group parent company's head office at Lapuantie 594, Nurmo; postal address: P.O. Box 900, FI-60060 ATRIA.

Atria Group is Finland's biggest meat industry company and one of the leading industry players in the Nordic countries, Russia and the Baltic region. The Group's largest production companies include Atria Oy and Liha ja Säilyke Oy (Atria Finland), Atria Lithells AB (Atria Sweden), OOO Pit-Product (Atria Russia), AS Valga Lihatööstus and UAB Vilniaus Mesa (Atria Baltic).

The financial statements were approved by the Board of Directors for publication on 26 February 2007. According to the Finnish Companies Act, the shareholders are entitled to approve or reject the financial statements in the AGM to be held after the publication of the financial statements. The AGM is also entitled to revise the financial statements.

Principles applied in preparing the financial statements

Compiling principle

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) approved for use in the EU. IAS and IFRS standards valid on 31 December 2006 have been followed, as well as SIC and IFRIC interpretations. The International Financial Reporting Standards refer to standards approved to be applied in the EU, in accordance with the proceedings stipulated in Finnish accounting legislation and regulations based on it in EU decree (EC) 1606/2002 and interpretations issued thereof. The notes to the consolidated financial statements are in accordance with Finnish accounting and corporate legislation.

The financial statement data is presented in units of EUR 1,000, and they are based on the original acquisition costs. For business combinations that occurred before September 2003, goodwill corresponds to the book value in accordance with earlier accounting norms, which has been used as the default acquisition cost.

In the financial statements, the Group has applied the following mandatory changes to the IAS and IFRS standards and IFRIC interpretations effective as of 1 January 2006:

- IAS 21 Effect of exchange rate changes (change)
- IAS 19 Employee benefits (change)
- IAS 39 Financial Instruments: recognition (change)
- IFRIC 4 Determining whether an arrangement contains a lease

Application does not affect items to be booked in equity or the indicator earnings per share.

The compiling of financial statements in accordance with IFRS standards requires the Group management to make certain assessments and deliberations in applying the principles used in preparing the statements. Information on such deliberations that the management used when applying the principles used by the company in preparing the financial statements, and which have most effect on the figures presented in the financial statements, are presented under "Principles used to prepare the financial statements that require deliberation from the management and central uncertainty factors related to the estimates".

Principles applied in preparing the consolidated financial statements

Subsidiaries

The consolidated financial statements include the parent company Atria Group plc as well as all of its subsidiaries and associated companies. Subsidiaries are companies in which the Group has control. Control is generated when the Group owns over half of the voting rights, or it otherwise has control over the company. Control refers to the right to decide on the company's financial and operational principles in order to reap benefit from its operations. The acquired subsidiaries are consolidated from the moment the Group has gained control of the company until said control ends.

Inter-group shareholding has been eliminated using the acquisition-cost method. Subsidiary acquisition costs include assigned assets at market value, generated debts or debts assumed as liabilities, issued equity-based instruments, and direct costs from the acquisition. All internal Group business transactions, receivables, liabilities and profits, as well as internal profit distribution, are eliminated when preparing the consolidated financial statements. Unrealised losses are not eliminated if the loss is caused by value decrease. Profit distribution for the financial year to parent company owners and minority shares is presented in connection with the income statement, and the minority share of equity is presented as a separate item in the balance sheet under equity. The minority share of accumulated loss is booked in the consolidated financial statements at a level of no more than the value of the investment.

Business combinations between companies controlled by the same body

Business combinations between organisations controlled by the same body has been handled in accounting based on direct acquisition cost, as these acquisitions are not included under the IFRS 3 Business combinations standard. For minority share acquisitions, the difference between acquisition cost and acquired equity is booked as goodwill.

Associates

The associates are companies in which the Group has considerable influence. Considerable influence is materialised when the Group owns more than 20 per cent of the company's voting rights, or when the Group otherwise has considerable influence but not control over the company. The associates have been consolidated using the equity method. If the Group's share in the associates' losses exceeds the investment's book value, the investment will be entered at zero value in the balance sheet and the losses exceeding the book value will not be combined unless the Group is committed to fulfilling the associates' obligations. The item investment in associates includes investments at the time of acquisition and changes in associated company equity after the time of acquisition. Income for the financial year from associates corresponding to the Group's holding in them has been entered as a separate item after operating profit.

Joint ventures

Joint ventures are companies in which the Group exercises joint control with another party based on an agreement. Within the Group, joint ventures are consolidated using the equity method.

Foreign currency translation

The profit and financial position of Group units are measured in the currency that is the currency of the main operating region of the unit in question ("operating currency"). The consolidated financial statements are presented in euro, which is the operating and presentation currency of the parent company.

Foreign currency business transactions

Foreign currency business transactions have been translated at the exchange rate on the transition date. In practice this often means using an exchange rate that is close to the rate on the transaction date. Foreign currency monetary items have been translated at the exchange rates on the closing date. Foreign currency non-monetary items, which have been valued at current value, have been translated at the exchange rates on the valuation date.

In other respects, non-monetary items have been valued using the exchange rate on the transaction date. Profits and losses from the translation of foreign currency business transactions and monetary items have been entered in the profit and loss account. Exchange gains and losses from operations are included in the appropriate item before operating profit. Exchange gains and losses from foreign currency-denominated loans are included in financial income and expenses.

Changing the financial statements of foreign Group companies:

The income statements of the Group's foreign companies have been translated at the average exchange rate for the financial year, and the balance sheets at the rate on the closing date. Translating the profit for the financial year with different exchange rates in the income statement and balance sheet causes an exchange rate difference, which is booked in equity. The exchange rate difference arising from the elimination of foreign subsidiary acquisition costs and the translation of equity items accumulated after an acquisition is booked in the translation difference in equity. When a subsidiary is sold, in full or partially, the accumulated exchange rate difference is booked as a sales gain or loss.

Since September 2003, goodwill generated from the acquisition of foreign units, and fair value adjustments made to the book values of said foreign units' assets and liabilities in connection with the acquisition, are processed as assets and liabilities of said foreign units and converted to euro using the exchange rates on the closing date. The acquisition goodwill and fair value adjustments prior to this are booked in euro.

Property, plant and equipment

Property, plant and equipment are entered at their direct acquisition cost, less accumulated depreciation and possible value adjustments.

If the tangible fixed asset consists of several parts with different useful lives, each part is processed as a separate asset. In this case, the costs connected to renewing the part are activated. Otherwise, later costs are included in the book value of the property, plant and equipment 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. Other repair and maintenance costs are booked so that they affect earnings after they have materialised.

Depreciation is calculated as straight-line depreciation according to the estimated useful life as follows:

Buildings	25–40 years
Machinery and equipment	7–10 years

No depreciation is made on land and water.

The residual value and the useful life of assets are checked in every financial statement and, if necessary, adjusted so that the book value corresponds at most with the recoverable amount.

The depreciation of property, plant and equipment stops when the tangible fixed asset is classified as being for sale in accordance with the "IFRS 5 Non-current Assets Held for Sale and Discontinued Operations" standard.

Sales gains and losses accumulated from the disposal or transfer of tangible fixed assets are included in other operating income or losses.

Borrowing costs

Borrowing costs are booked as costs for the financial year in which they occur.

Government grants

Government grants, such as grants received for the acquisition of tangible fixed assets, are booked as a decrease in the book value of the tangible fixed assets 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 entered as income in the form of lower depreciation during the service life. Grants received as compensation for expenses are entered in the income statement, while expenses connected with the grant are entered as costs. Such grants are entered under other operating income.

Intangible assets

Goodwill

Goodwill corresponds to the share of the acquisition cost that exceeds the Group's share of the fair value of the acquired company's net assets, liabilities and conditional liabilities at the time of acquisition. The Group has applied the IFRS 3 standard to all business combinations that have occurred since September 2003. In these, goodwill corresponds to the share of the acquisition cost that exceeds the Group's share of the fair value of the acquired company's net assets at the time of acquisition. In earlier business combinations, generated goodwill corresponds to the book value in accordance with previous accounting standards.

Goodwill is tested annually in case of possible impairment. For this purpose, goodwill is directed at units that produce cash flow. The Group's units that generate cash flow are classified based on the subsidiary operations and location. In 2006 they included Atria Finland, Lithells, Svensk Snabbmat för Storkök, Pit-Product, Valga Lihatööstus and Vilniaus Mesa. Goodwill is valued at the direct acquisition cost less value adjustments.

Research and development costs

Research costs are booked as costs in the balance sheet. Development costs related to individual projects are activated in the balance sheet when there is enough certainty that the asset in question can be technically implemented and will probably generate a future financial benefit. Activated development costs are booked as project-specific costs during the useful life of the asset. The asset is depreciated from when it is ready to be used.

Other intangible assets

Intangible assets are only entered in the balance sheet if the acquisition cost of the asset can be reliably determined and if it is probable that the expected financial benefit from the asset will benefit the company.

Intangible assets with a limited useful life are booked as costs based on straight-line depreciation in the balance sheet during their known or estimated useful life. For intangible assets with unlimited useful lives, no deprecation is booked and they are tested annually for impairment.

Depreciation periods:

Trademarks	10 years
Other intangible assets	5–10 years

Trademarks whose useful life is estimated to be unlimited are estimated to affect cash flow accumulation for an undefined period of time.

Leases – Group as lessor

Leases relating to tangible assets where the Group has a considerable share of the risks and benefits related to ownership are classified as finance leases. Finance leases are entered in the balance sheet at the market value of the leased asset on the day the lease period begins, or at a lower value that corresponds with the current value of the minimum lease payments. The depreciation of assets acquired with finance leases are made during the useful life of assets or a shorter leasing period. Lease payments are divided into financial items and debt decrease during the lease period, so that the same interest rate is formed for the remaining debt by financial year. Rent obligations are included in interest-bearing debts.

Leases where the risks and benefits typical for ownership remain with the lessor are handled as other leases. Rents paid based on other leases are booked as costs in the profit and loss account, based on the straight-line method during the lease period.

Impairment

Tangible and intangible assets

The Group estimates on each closing day whether there are indications of a value decrease in a particular asset. If there are such indications, the recoverable amount from said asset is estimated. The recoverable amount is estimated annually based on goodwill and intangible assets with unlimited useful lives. The need for impairment is reviewed at the cash flow producing unit level, which is at the lowest unit level that is mainly independent of other units, and whose cash flow can be separated from other cash flows. The recoverable amount is the assets' fair value less costs arising from disposal or a higher utility value. The utility value is the estimated net cash flow from the asset or cash flow-generating unit in question, which is discounted to its present value. The discount rate used is the rate defined before taxes, which describes the market's view of the time value of money and the particular risks associated with the asset.

In impairment, losses are booked when the book value of the asset is higher than the recoverable amount. The impairment loss is booked immediately in the profit and loss account. If the impairment loss is directed at a unit that produces cash flow, it will first be directed towards reducing the goodwill of the cash flow producing unit and then to reducing the other assets of the unit symmetrically. The useful life of the asset being depreciated in connection with the booking of an impairment loss is re-evaluated. An impairment loss booked on an asset other than goodwill is cancelled if there has been a change in the values used to define the recoverable amount from said asset. The impairment loss is not, however, to be cancelled in excess of the asset's book value without booking an impairment loss. An impairment loss booked on goodwill is never cancelled.

Inventories

Inventories are valued at the direct acquisition cost, or at probable net realisation value below this. The direct acquisition cost is valued using the FIFO method. The acquisition cost for finished and unfinished products consists of raw materials, costs due to direct performance, other direct costs and the appropriate share of manufacturing-related variable general costs and fixed general costs at a normal level of operations. The net realisation value is the estimated sales price received from normal operations, less the estimated costs for completing the product and costs related to sales.

Biological assets

The Group's biological assets are live animals and growing crops. Biological assets are valued at current value, less the estimated sales-related costs. Productive animals are included in other tangible assets and other biological assets are included in current assets.

Pension liabilities

Pension arrangements are classified as benefit-based pension arrangements and contribution plan arrangements. In arrangements with contribution plans, the Group makes fixed payments to a separate unit. The Group has no legal or real liability to make additional payments, if the recipient of the payments cannot pay the pension benefits in question. All arrangements that do not fulfil these conditions are benefit-based pension arrangements. Payments made into contribution plans are booked in the profit and loss account for the financial year to which the charge applies. The Group's pension arrangements are mainly based on contribution plans. In the balance sheet on 31 December 2006, only an insignificant number of Finnish pension arrangements were benefit-based.

Financial assets and liabilities

Financial assets

The Group financial assets have been classified into the following categories according to the IAS 39 *Financial Instruments: Recognition and Measurement standard:* Financial assets at fair value through profit or loss, held-to-maturity investments, loans and other receivables and available-for-sale financial assets. The classification is made based on the purpose of the acquisition, and they are classified in connection with the original acquisition. The group has not had financial assets at fair value through profit or loss, nor held-to-maturity investments during the accounting period. The Group has not had investments booked at current value affecting earnings, nor held until maturity during the financial period.

All purchases and sales of financial assets are booked on the day of the transaction.

Loans and other receivables are assets outside derivative financial assets with related costs that are fixed or can be determined, which are not noted on active markets and which the company does not hold for trading purposes. This group contains the Group's financial assets generated by handing over cash, articles or services to the debtor. They are valued at amortised cost and they are included in short- and long-term financial assets; in the latter if they mature after more than 12 months.

Available-for-sale financial assets are outside derivative financial assets, which have been prescribed to this group or which have not been prescribed to any other group. They are included in long-term assets unless they are intended to be kept for less than 12 months from the closing day, in which case they are included in short-term assets. Financial assets for sale may include shares and interest-bearing investments. They are valued at current value or, when the current value cannot be reliably determined, at acquisition cost. Changes in the current value of financial assets for sale are entered in equity in the value adjustment fund, taking into consideration the tax effect. Changes in current value are transferred from equity to the profit and loss account when the investment is sold or its value has decreased so that an impairment loss must be booked for the investment.

Cash and cash equivalents

Cash and cash equivalents consist of cash, bank deposits that can be withdrawn on demand and other short-term highly liquid investments. Items classified as cash and cash equivalents have a maximum maturity of three months from acquisition. Available credit limits are included in short-term interest-bearing debt.

The financial assets are derecognised when the Group has lost the agreement-based right to the cash flow, or it has transferred a significant share of the risks and income outside the Group.

Financial liabilities

Financial liabilities are originally entered at their current value. Later the financial liabilities are valued using the effective interest rate method. Financial liabilities are included in short- and long-term debts and they can be interest-bearing or interest-free.

Impairment of financial assets

The Group estimates whether there is objective proof of a value decrease in an individual financial asset item or financial asset group on each closing day.

An impairment loss is booked for accounts receivable when the collection of a matured receivable has failed or it is estimated that the receivable has been lost. If the impairment loss is reduced during a later financial year, and the reduction can be objectively seen as connected with a transaction after the booking of the impairment loss, the booked loss is cancelled so that it affects earnings.

Income taxes

The tax expense in the income statement consists of the current tax expense and the deferred tax. The tax expense is booked in the profit and loss account, except for items booked directly in equity, in which case the tax effect is booked correspondingly in equity. The current tax expense for the financial year is calculated from the taxable profit based on the valid tax rate of each country. The tax is adjusted by possible taxes related to previous periods.

Deferred tax is calculated from all temporary differences between the book value and tax base. The biggest temporary differences are generated from the depreciation of tangible fixed assets and the valuation at current value in connection with acquisitions. No deferred tax is booked for non-deductible goodwill impairment, and no deferred tax is booked for the subsidiaries' undistributed profits if the difference is not likely to dissolve in the foreseeable future.

Deferred tax has been calculated using the tax rates provided on the closing date.

Deferred tax assets are booked up 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.

Revenue recognition

Income from the sale of articles is booked when the risks and benefits related to owning the article are transferred to the buyer. Income from services is booked when the service is completed. The amount of booked income consists of the compensation from sold goods or services based on their fair value, less value added tax and volume or other discounts.

Turnover includes profits from the sale of products and services, as well as raw materials and equipment, adjusted by indirect taxes and discounts.

Interest and dividends

Interest rates are booked based on the passing of time, taking into account the effective income from the asset. Dividend income is booked when the shareholder's right to payment is generated.

Operating profit

The IAS 1 *Presentation of Financial Statements* standard does not define the concept of operating profit. The Group has defined it as follows: operating profit is a net total, which can be calculated by adding other operating income to turnover, subtracting purchase expenses adjusted by the change in the stock of finished and unfinished products as well as expenses caused by production for own use, subtracting expenses caused by employment-based benefits, depreciations and potential impairment losses, as well as other operating expenses. All but the abovementioned income statement items are entered under operating profit.

Segment information
The Group reports its geographical segments as its primary segment reporting. A segment's assets are those assets that can be directly allocated or that can be logically focused on the segment. These include goodwill. The Group has three recognisable geographical segments differing essentially from each another in terms of the functioning of the markets. They are Finland, Sweden, and Russia and the Baltic countries.

A secondary segment report concerns business segments. Atria's business operation mainly comprises the meat industry. In addition, Atria's operations include a wholesale business called Svensk Snabbmat för Storkök AB, which sells its products to restaurants, bars, snack bars, etc. The wholesale business accounts for 13 per cent of turnover, which is why it is reported as a separate segment. This segment also includes the Group's sales to primary producers.

Transactions between the segments take place at market price.

Principles used to prepare the financial statements that require deliberation from the management and central uncertainty factors related to the estimates
When preparing the financial statements, future assessments and assumptions must be made whose outcome may deviate considerably from the original assessment and assumption. In addition, deliberation must be used in applying the principles used to prepare the financial statements. The assessments are based on the management's best view at the time of the financial statement. Any changes in the assessments and assumptions are entered during the financial year when the assessment or assumption is corrected, and during all subsequent financial periods.

In the Group, the key future assessments and key uncertainty factors related to the closing date values, which constitute a significant risk of considerable changes to the asset and liability book value during the following financial year, include:

Determining the current value of assets acquired in business combinations
In significant business combinations, the Group has used an external advisor when determining the current value of tangible and intangible assets. In the case of tangible assets, comparisons have been made with the market price of corresponding assets and assessments of the loss of value caused by the assets' age, wear and other similar factors have been carried out. The current value of intangible assets is determined based on assessments of asset cash flows. The management believes that the assessments and assumptions are sufficiently detailed for use as the basis for determining the value.

Impairment testing
The Group tests goodwill and intangible assets with unlimited useful lives annually for possible impairment, and assesses any indication of impairment in accordance with the abovementioned principles used to prepare the financial statements. The recoverable amounts of units that produce cash flow are defined as calculations based on utility value. These calculations require the use of estimates.

Emission rights
The emission rights have been booked as costs and accrued credits and deferred charges based on the so-called net value method. 22,724 tonnes of emission rights in Finland were allocated in 2006; the estimated need was 21,423 tonnes.

Dividends paid
Dividend distribution to shareholders is booked as debt for the financial year during which the dividend distribution was approved by the shareholders.

Application of renewed or revised IFRS standards
The standards, interpretations or changes below have been published, but they have not yet taken effect. The Group will not apply these regulations until they take mandatory effect. In 2007, the Group will adopt the following renewed or revised standards or interpretations published by IASB in 2005 and 2006:

IFRS 7 *Financial Instruments: Disclosures* (takes effect from financial years beginning after 1 January 2007).

IFRS 7 will require more comprehensive notes on the significance of financial instruments for the organisation's financial position and performance. The standard requires that qualitative and quantitative data be presented on the organisation's exposure to risks arising from financial instruments, and it includes minimum requirements for notes on credit, liquidity and market risks. It also includes a requirement for a sensitivity analysis for each type of market risk to which the organisation is exposed. According to the Group's assessment, the adoption of IFRS 7 will mostly affect the notes to the Group's future financial statements.

IAS 1 standard revision IAS 1 *Presentation of Financial Statements* – equity data presented in the financial statements (takes effect from financial years beginning after 1 January 2007).

After the revision, IAS 1 will require that data be presented on the organisation's equity and its management during the financial year. According to the Group's assessment, the new IAS 1 regulations will mostly affect the notes to the Group's future financial statements.

IFRIC 8 *Scope* of IFRS 2 (takes effect from financial years beginning after 1 May 2007).

IFRIC 8 applies to arrangements where an organisation issues equity-based instruments and the identifiable consideration given is less than the fair value of the equity-based instruments granted. In this situation, it must be assessed whether the arrangement falls under the scope of IFRS 2. According to the Group's assessment, the new interpretation will not affect the Group's future financial statements.

IFRIC 9 *Reassessment of Embedded Derivatives* (takes effect from financial years beginning after 1 May 2006)

IFRIC 9 requires an organisation, when it first becomes a party to an agreement, to assess whether any embedded derivatives contained in the agreement are required to be separated from the host agreement and accounted for as if they were stand-alone derivatives.

Subsequent reassessment is prohibited unless there is a change in the terms of the agreement that significantly modifies the original cash flows. According to the Group's current assessment, this interpretation will not affect the Group's future financial statements.

IFRIC 10 *Interim Financial Reporting and Impairment* (takes effect from financial years beginning after 1 November 2006).

IFRIC 10 prohibits an organisation from cancelling an impairment loss recognised in a previous interim period in respect of goodwill, share investments and financial assets booked under acquisition costs at a later closing date. According to the Group's assessment, the new interpretation will not affect the Group's future financial statements.

1. TANGIBLE ASSETS, EUR 1,000

	Land and water	Buildings and structures	Machinery and equipment	Other intangible commodities	Unfinished acquisitions	Total
Acquisition cost, 1 Jan 2006	5,600	289,689	287,341	3,263	21,608	607,501
Business combinations			2,567			2,567
Increases	76	11,383	36,817	202	23,568	72,046
Decreases		-5,425	-3,718	-328	-5,383	-14,854
Exchange difference	102	618	2,148	11	22	2,901
Acquisition cost, 31 Dec 2006	5,778	296,265	325,155	3,148	39,815	670,161
Accumulated depreciation and impairment, 1 Jan 2006		-104,848	-172,246	-1,078		-278,172
Business combinations			-1,625			-1,625
Decreases		1,411	5,199	103		6,713
Depreciation		-7,811	-24,769	-163		-32,743
Exchange difference		-258	-1,301	-5		-1,564
Accumulated depreciation and impairment, 31 Dec 2006		-111,506	-194,742	-1,143		-307,391
Book value, 1 Jan 2006	5,600	184,841	115,095	2,185	21,608	329,329
Book value, 31 Dec 2006	5,778	184,759	130,413	2,005	39,815	362,770

	Land and water	Buildings and structures	Machinery and equipment	Other intangible commodities	Unfinished acquisitions	Total
Acquisition cost, 1 Jan 2005	4,945	243,234	254,708	1,685	8,961	513,533
Business combinations	511	14,321	10,889	1,320	1,038	28,079
Increases	253	32,879	25,934	361	15,684	75,111
Decreases		-77	-2,085	-91	-4,026	-6,279
Exchange difference	-109	-668	-2,105	-12	-49	-2,943
Acquisition cost, 31 Dec 2005	5,600	289,689	287,341	3,263	21,608	607,501
Accumulated depreciation and impairment, 1 Jan 2005		-96,878	-148,567	-653		-246,098
Business combinations		-1,058	-4,329	-311		-5,698
Decreases		16	163	53		232
Depreciation		-7,181	-20,768	-173		-28,122
Exchange difference		253	1,255	6		1,514
Accumulated depreciation and impairment, 31 Dec 2005		-104,848	-172,246	-1,078		-278,172
Book value, 1 Jan 2005	4,945	146,356	106,141	1,032	8,961	267,435
Book value, 31 Dec 2005	5,600	184,841	115,095	2,185	21,608	329,329

Assets acquired with finance lease contracts are included in machinery and equipment; book value of assets was EUR 12.4 million (EUR 8.8 million).

In Finland, the Group is committed to the Nurmo logistics centre and pig slaughterhouse expansion, and in Russia to building a new logistics centre and meat product plant. The total value of the investment is EUR 107 million, of which EUR 76 million has not been realised in accounting.

2. GOODWILL AND OTHER INTANGIBLE ASSETS, EUR 1,000

Intangible assets	Goodwill	Trade-marks	Other intangible assets	Total
Acquisition cost, 1 Jan 2006	67,099	19,144	13,814	100,057
Business combinations	7,310	13,039		20,349
Increases		136	2,192	2,328
Decreases		-807	-2,796	-3,603
Exchange difference	509	348		857
Acquisition cost, 31 Dec 2006	74,918	31,860	13,210	119,988
Accumulated depreciation and impairment, 1 Jan 2006	-17,038	-2,935	-7,279	-27,252
Business combinations				
Depreciation on decreases		807	2,796	3,603
Depreciation		-1,305	-2,223	-3,528
Impairment		-1,514		-1,514
Exchange difference	-227	-99	-1	-327
Accumulated depreciation, 31 Dec 2006	-17,265	-5,046	-6,707	-29,018
Book value, 1 Jan 2006	50,061	16,209	6,535	72,805
Book value, 31 Dec 2006	57,653	26,814	6,503	90,970

Intangible assets	Goodwill	Trade-marks	Other intangible assets	Total
Acquisition cost, 1 Jan 2005	51,862	10,423	12,587	74,872
Business combinations	15,723	9,020	16	24,759
Increases		43	3,356	3,399
Decreases			-2,145	-2,145
Exchange difference	-486	-342		-828
Acquisition cost, 31 Dec 2005	67,099	19,144	13,814	100,057
Accumulated depreciation and impairment, 1 Jan 2005	-17,289	-1,926	-7,266	-26,481
Business combinations		-6		-6
Depreciation on decreases			2,145	2,145
Depreciation		-1,071	-2,158	-3,229
Exchange difference	251	68		319
Accumulated depreciation, 31 Dec 2005	-17,038	-2,935	-7,279	-27,252
Book value, 1 Jan 2005	34,573	8,497	5,321	48,391
Book value, 31 Dec 2005	50,061	16,209	6,535	72,805

A depreciation period of 10 years was determined for Vilniaus Mesa's trademark in its year of acquisition of 2003. In 2006, the Group decided to write off the trademark, as Vilniaus Mesa's profit development did not warrant keeping the trademark in the balance sheet. The write-off caused a EUR 1.5 million impairment loss.

Targeting of goodwill and trademarks, whose useful life is estimated to be unlimited	Goodwill 2006	Goodwill 2005	Trademarks 2006	Trademarks 2005
Atria Finland	2,941	2,941		
Lithells	31,624	31,397		
Svensk Snabbmat för Storkök	4,680			
Pit-Product	12,508	9,823	6,176	6,149
Valga Lihatööstus	5,900	5,900	2,857	2,857
Total	57,653	50,061	9,033	9,006

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Goodwill has been allocated to the Group's units that generate cash flow, which is defined in accordance with the business organisation.

The recoverable amounts of units that produce cash flow are based on utility value calculations. Future cash flow in these calculations is based on financial plans approved by Group management, which extend over a five-year period. Key variables used in the utility value calculations are earnings from sales and material margin, which are defined based on the realised figures from previous years. The discount rate used, defined before taxes, is 9.7% (10%) in Russia and 5.6% (7.0%) elsewhere. The discount rate before taxes is defined with the help of the weighted average cost of capital (WACC). Cash flow after the forecast period approved by the management were extrapolated using a growth factor of 5% in Russia and 1% elsewhere. The growth factor used does not exceed the long-term realised growth in the industry.

Based on impairment testing, there was no need for any impairment.

3. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES, EUR 1,000

Investments in joint ventures and associates	2006	2005
In joint ventures:		
At the beginning of the period	315	297
Share of earnings for the period	9	95
Increases	250	
Dividends received	-50	-77
At the end of the period	524	315
In associates:		
At the beginning of the period	4,252	3,554
Share of earnings for the period	368	700
Increases		154
Dividends received	-148	-156
At the end of the period	4,472	4,252
Total	4,996	4,567

Joint ventures and associates	Domicile	Assets	Liabilities	Turnover	Profit/ Loss	Ownership interest (%)
2006						
Best-In Oy	Kuopio	1,081	466	4,781	107	50.0
Foodwest Oy	Seinäjoki	867	190	1,802	-15	33.5
Honkajoki Oy	Honkajoki	14,023	10,684	15,739	240	47.8
OÜ LKT Invest	Valga, Estonia	11	3		-1	26.0
Länsi-Kalkkuna Oy	Säkylä	504	94		-90	50.0
LTK Co-operative	Hämeenlinna	8,924	2,263	20,520	591	40.7
Tuoretie Oy	Helsinki	5,944	5,040	40,148	90	33.3
2005						
Best-In Oy	Kuopio	1,109	501	4,997	196	50.0
Foodwest Oy	Seinäjoki	889	197	1,754	16	33.5
Honkajoki Oy	Honkajoki	13,090	10,056	16,691	902	47.8
OÜ LKT Invest	Valga, Estonia	11	3			26.0
LTK Co-operative	Hämeenlinna	8,611	2,174	20,610	666	40.7
Tuoretie Oy	Helsinki	4,672	3,857	32,858	-18	33.3

4. OTHER FINANCIAL ASSETS, EUR 1,000

	2006	2005
Investments available for sale	1,316	1,189

Mainly includes small amounts of unquoted shares in different companies.

5. LOAN ASSETS AND OTHER RECEIVABLES, EUR 1,000

	Balance sheet values 2006	Balance sheet values 2005
Loan assets from customers	5,895	3,939
Other receivables	496	653
Total	6,391	4,592

Fair values do not deviate significantly from balance sheet values.

6. DEFERRED TAX ASSETS AND LIABILITIES, EUR 1,000

Changes to deferred taxes in 2006	1 Jan 2006	Booked in the income statement	Exchange difference	Acquired subsidiaries	31 Dec 2006
Deferred tax assets:					
Internal balance of inventories	73	-42			31
Benefit-based pension obligations	95	-7			88
Depreciation differences and voluntary provisions	3				3
Changes in fair value	375		2		377
Total	546	-49	2		499
Deferred tax liabilities:					
Valuation of tangible and intangible assets at fair value upon acquisition	-3,675	396	-8	-3,651	-6,938
Depreciation differences and provisions	-18,846	-930	-192		-19,968
Total	-22,520	-534	-200	-3,651	-26,906

Changes to deferred taxes in 2005	1 Jan 2005	Booked in the income statement	Exchange difference	Acquired subsidiaries	31 Dec 2005
Deferred tax assets:					
Internal balance of inventories	563	-490			73
Benefit-based pension obligations	114	-19			95
Depreciation differences and voluntary provisions				3	3
Changes in fair value				375	375
Total	677	-509		378	546
Deferred tax liabilities:					
Valuation of tangible and intangible assets at fair value upon acquisition	-507	79		-3,247	-3,675
Depreciation differences and provisions	-18,579	-412	196	-51	-18,846
Total	-19,085	-333	196	-3,298	-22,520

7. INVENTORIES, EUR 1,000

	2006	2005
Materials and supplies	19,143	18,980
Biological assets	2,279	1,984
Unfinished products	1,229	681
Finished products	40,564	36,980
Other inventories	172	12
Total	63,387	58,637

8. TRADE AND OTHER RECEIVABLES, EUR 1,000

	2006	2005
Trade receivables	146,404	131,587
Loan assets	483	315
Other receivables	11,187	10,762
Accrued credits and deferred charges	7,799	8,323
Total	165,873	150,987

Accrued credits and deferred charges consist of the advance expense of purchase accounts, lease receivables and tax amortisations. Trade receivables do not involve considerable credit risk accumulation because the receivables are mainly from franchising groups. No significant credit losses materialised during the financial year.

9. CASH AND CASH EQUIVALENTS, EUR 1,000

	2006	2005
Cash in hand and at banks	35,427	17,460

10. SHAREHOLDERS' EQUITY, EUR 1,000

Shareholders' equity consists of the share capital, share premium, translation difference and retained earnings. The share of change in share capital that exceeds the nominal value is booked in the share premium. The exchange difference arising from the elimination of a foreign subsidiary's acquisition costs is booked in the translation difference in equity. The profit for the period is booked in retained earnings.

Shares and share capital

Shares are divided into A and KII series, which differ in terms of voting rights. A series shares have one vote per share and the KII series shares have ten votes per share. A series shares have preference to a 10 per cent dividend on the nominal value of the share, after which the KII series shares are paid a dividend of up to 10 per cent of the nominal value. If there is still more dividend available for distribution, A and KII series shares have the same entitlement to the dividend. The maximum number of KII series shares is 29,500,000 and A series shares is 20,000,000. The nominal value of the share is EUR 1.70 per share and the Group's maximum share capital is EUR 76,000,000. All issued shares have been paid in full.

The number of shares outstanding is (1,000)	**A series**	**KII series**	**Total**
1 Jan 2005	11,889	9,204	21,093
31 Dec 2005	11,889	9,204	21,093
Share issue, 16 May 2006	1,100		1,100
Share issue, 29 Dec 2006	900		900
31 Dec 2006	13,889	9,204	23,093

Parent company's distributable shareholders' equity	2006	2005
Retained earnings	46,708	38,420
Profit for the period	13,521	20,838
Total	60,229	59,258

Dividend per share paid for the period	2006	2005
Dividend/share, EUR	0.595	0.595
Dividend distributed by the parent company	12,550	12,550

At the AGM to be held on 3 May 2007, the Board of Directors will propose a dividend per share of EUR 0.595, i.e. EUR 13,740,173 in total.

11. PENSION OBLIGATIONS, EUR 1,000

The benefit-based pension liability in the balance sheet is determined as follows	2006	2005
Present value of funded obligations	1,179	1,348
Fair value of assets	-1,121	-1,129
Curtailment		
Unrecognised actuarial gains (+) and losses (-)	-215	-448
Unrecognised past service costs	498	597
Pension liability in the balance sheet	341	368

The benefit-based pension cost in the income statement is determined as follows:	2006	2005
Profits from curtailment	27	73

Changes to debt in the balance sheet	2006	2005
At the beginning of the period	368	441
Pension costs in the income statement	-27	-73
At the end of the period	341	368

Used actuarial assumptions (%)		
Discount rate	4.50	4.50
Expected income from assets	6.50	5.40
Future salary increase assumption	4.00	4.00

12. INTEREST-BEARING LIABILITIES, EUR 1,000

	2006 Balance sheet values	2005 Balance sheet values
Non-current		
Bond	60,000	20,000
Loans from financial institutions	77,433	69,176
Pension fund loans	9,279	8,597
Other debts	9,165	10,277
Finance lease obligations	9,477	7,450
Total	165,354	115,500

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	2006 Balance sheet values	2005 Balance sheet values
Current		
Loans from financial institutions	37,541	60,200
Pension fund loans	23	184
Other debts	38,732	29,642
Finance lease obligations	2,543	1,330
Total	78,839	91,356
Total interest-bearing liabilities	244,193	206,856
With fixed interest rates	33.61 %	39.1 %
Average interest rate	4.24 %	3.57 %

Atria Group Plc's bond loan issued in 2002 amounting to EUR 10 million matures in 2009, the bond loan issued in 2005 amounting to EUR 10 million matures in 2008 and the bond loan issued in 2006 amounting to EUR 40 million matures in 2013.

Non-current liabilities mature as follows	2006	2005
2007		36,015
2008	35,789	21,312
2009	31,685	21,737
2010	26,673	18,132
2011	14,321	6,617
2012	10,598	
Later	46,288	11,687
Total	165,354	115,500

Interest-bearing liabilities are divided into currencies as follows	2006	2005
EUR	180,849	166,312
SEK	30,447	18,905
LTL	37	61
EEK	9,220	6,361
RUB	17,094	6,893
USD	6,545	8,324
Total	244,192	206,856

Finance lease obligations – total amount of minimum lease payments	2006	2005
In less than a year	2,916	1,364
After one but in less than five years	7,856	1,829
After more than five years	2,895	7,091
Total	13,667	10,284

Finance lease obligations – present value of minimum lease payments	2006	2005
In less than a year	2,834	1,330
After one but in less than five years	6,942	1,635
After more than five years	2,243	5,815
Total	12,019	8,780
Future interest accumulation	1,648	1,504
Total	13,667	10,284

13. TRADE AND OTHER PAYABLES, EUR 1,000

Current	2006	2005
Trade payables	80,493	73,548
Advances received	848	723
Other debts	16,373	16,417
Accrued liabilities	46,932	42,261
Total	144,646	132,949

Significant items in accrued liabilities consist of personnel costs and the amortisation of debt interests.

14. SEGMENT INFORMATION, EUR 1,000

Accounting period that ended on 31 Dec 2006 Geographical segments	Finland	Sweden	Russia and Baltic countries	Eliminations	Group
Turnover					
External	668,642	330,006	104,648		1,103,296
Internal	17,418	6,380		-23,798	
Total turnover	686,060	336,386	104,648	-23,798	1,103,296
Operating profit	33,421	15,132	-7,020		41,533
Financial income and expenses					-7,340
Income from joint ventures and associates	377				377
Income taxes					-8,589
Profit for the period					25,981
Assets					
Segment assets	573,672	171,622	89,558	-108,219	726,633
Investments in joint ventures and associates	4,996				4,996
Total assets	578,668	171,622	89,558	-108,219	731,629
Liabilities	283,817	93,496	50,485	-8,645	419,153
Investments	51,889	21,600	15,549		89,038
Depreciation	26,382	6,366	3,568		36,316
Impairment			1,514		1,514

Accounting period that ended on 31 Dec 2005 Geographical segments	Finland	Sweden	Russia and Baltic countries	Eliminations	Group
Turnover					
External	625,000	309,219	42,674		976,893
Internal	9,318	4,756		-14,074	
Total turnover	634,318	313,975	42,674	-14,074	976,893
Operating profit	31,616	7,143	1,408		40,167
Financial income and expenses					-3,142
Income from joint ventures and associates	795				795
Income taxes					-10,801
Profit for the period					27,019
Assets					
Segment assets	529,779	132,111	78,795	-105,140	635,545
Investments in joint ventures and associates	4,565		2		4,567
Total assets	534,344	132,111	78,797	-105,140	640,112

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Accounting period that ended on 31 Dec 2005 Geographical segments	Finland	Sweden	Russia and Baltic countries	Eliminations	Group
Liabilities	268,329	69,091	33,318	-5,642	365,096
Investments	97,641	4,255	5,364		107,260
Depreciation	23,463	5,914	2,034		31,411

Accounting period that ended on 31 Dec 2006 Business segments	Meat industry	Whole sale	Group
Turnover	870,103	233,193	1,103,296
Segment assets	619,562	112,067	731,629
Investments	73,336	15,702	89,038

Accounting period that ended on 31 Dec 2005 Business segments	Meat industry	Whole sale	Group
Turnover	758,747	218,146	976,893
Segment assets	570,748	69,364	640,112
Investments	106,797	463	107,260

15. BUSINESS COMBINATIONS

2006	Acquisition date	Ownership interest, %	Domicile
Hedmans AB	30 Oct 2006	100	Sweden
Fruk och Matgrossisten i Söderhamn AB	30 Oct 2006	100	Sweden
Matgrossisten i Skellefteå AB	30 Oct 2006	100	Sweden
Norrsäljarna AB	30 Oct 2006	100	Sweden
Subsidiary: Härnösands Frukt & Grönt AB	30 Oct 2006	100	Sweden

In Sweden, the Group consolidated its position and its local foothold in the local wholesale trade by acquiring the local wholesale outlets owned by Matgruppen för Storkök i Norr AB. The total turnover for the wholesale outlets transferred to Svensk Snabbmat för Storkök AB amounted to approximately EUR 54 million in 2006. Due to the transaction, wholesale operations in Sweden now has a total of 18 outlets throughout Sweden. The company's operating idea is to be a local wholesale business providing good customer service, and to remain close to the markets and its customers.

The objective of the transaction was to acquire profitable companies, which can be added to the business area in order to spread the wholesale operations throughout Sweden better than previously. Growth also improves the purchasing power of procurement operations.

The total purchase price was EUR 22.1 million, which includes expert fees to the amount of EUR 0.2 million. Transactions after the acquisition date accumulated approximately EUR 9 million in turnover for the Group.

EUR 1,000	Fair value	Acquiree's current book value
Property, plant and equipment	925	925
Goodwill	4,593	
Other intangible assets	12,796	
Financial assets	505	505
Inventories	3,065	3,065
Receivables	4,987	4,987
Cash and cash equivalents	5,974	5,974
Total assets	32,845	15,456

Deferred tax liabilities	4,049	466
Interest-bearing liabilities	2,070	2,070
Other liabilities	4,607	4,607
Total liabilities	10,726	7,143
Net assets	22,119	8,313
Purchase price	22,119	
Cash and cash equivalents of acquired companies	5,974	
Effect on cash flow	16,145	

2006	Acquisition date	Ownership interest, %	Domicile
A-Farmers Ltd	21 Dec 2006	97.9	Finland

A-Farmers Ltd is a beef cattle procurement company with a turnover of approximately EUR 81.7 million in 2005 and shareholders' equity of approximately EUR 19.2 million. Atria purchases nearly all its pork and beef from A-Farmers. The transaction streamlines the meat buying chain and thus strengthens the competitiveness of the entire production chain.

Through the transaction, Atria Group Plc acquired a total of 10,000,000 A-Farmers' series A shares from Itikka osuuskunta and Lihakunta. After the transaction, Atria holds 97.7 per cent of the issued share capital in A-Farmers and 99.0 per cent of the votes. Before the transaction, Atria Group held approximately 5.4 per cent of the shares and 53.3 per cent of the votes. The transaction was priced at A-Farmers' equity value. Atria paid a total of 900,000 new A series shares, valued at EUR 18.50/share, and EUR 1,283,308 in currency. The purchase price totalled EUR 18.2 million, including asset transfer tax of EUR 0.3 million.

A-Farmers is included in Atria's consolidated financial statement starting from 2004.

2005	Acquisition date	Ownership interest, %	Domicile
AS Valga Lihatööstus	31 Jan 2005	100	Estonia
Subsidiaries: AS Alle	31 Jan 2005	100	Estonia
OÜ Puidukaubandus	31 Jan 2005	100	Estonia
OÜ Carmex Invest	31 Jan 2005	100	Estonia
Associated company: OÜ LKT Invest	31 Jan 2005	26	Estonia
Suomen Kalkkuna Oy	1 July 2005	100	Finland
Pit-Product 668	15 Sept 2005	100	Russia
Pit-Product 409	15 Sept 2005	100	Russia
OÜ Linnamäe Peekon	9 Nov 2005	100	Estonia
Subsidiary: OÜ Jalukse Farmer	9 Nov 2005	100	Estonia

AS Valga Lihatööstus was founded in 1910 and privatised in 1994. The company produces different types of sausages, smoked meat products, blood and liver products and preserved meat. The company's brand name is Maks & Moorits. 60 per cent of sales is sausages and 40 per cent is meat. The company has a slaughterhouse, a cutting plant and a meat processing plant in the city of Valga.

Of the subsidiaries, AS Alle and OÜ Carmex Invest are pig farms, with a production value of approximately EUR 2.0 million. OÜ Puidukaubandus is a cattle farm and its production value is EUR 1.7 million. These subsidiaries supply approximately 20 per cent of AS Valga Lihatööstus slaughterhouse's annual slaughter volume. The aim has been to increase the share of meat from the Group's own primary production on the one hand by making expansion investments into the company's own primary production, and, on the other hand, by acquiring the pig farm OÜ Linnamäe Peekon and its subsidiary OÜ Jalukse Farmer. This is a combination pig house that sells its production to Valga Lihatööstus. The production value is approximately EUR 2.0 million.

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Pit-Product has grown at a rate of 30–50 per cent in recent years. Its market share on the St. Petersburg meat product markets in 2004 was approximately 13 per cent and in 2005 its market share was 20.1 per cent. In Pit-Product, Atria is interested in its location in a heavily growing St. Petersburg market and Pit-Product's own strong growth. Pit-Product currently has operations in the St. Petersburg area, where a factory and office is located, and in the village of Sinjavin some 40 km outside St. Petersburg, where it has another factory. The factory capacity is fully utilised and there are plans to acquire new capacity to meet the growing demand. In addition, the operations require development of logistics and the construction of a new logistics centre. Atria plans to construct the new logistics centre and start designing a new factory as soon as possible.

Suomen Kalkkuna Oy is a real estate company located in Jalasjärvi, Finland, which owns the real estate and machinery of a turkey hatchery. A turkey hatchery that produces turkey chicks for feed lots operates on Suomen Kalkkuna Oy's premises. The aim of the acquisition is to centralise the entire turkey production chain under Atria's immediate control.

The purchase price was also affected by future growth potential and the well-established positions of the brand. The value of brands, or more widely Marketing-related Intangibles, has been determined based on the Relief-from Royalty principle. The share of the purchase price that could not be targeted towards different balance sheet items has been treated as goodwill.

The data on business combinations is presented as a total because they are not significant as separate items.

The total acquisition cost was EUR 36.9 million and the acquisition cost includes, in addition to the pecuniary consideration, expert fees to the amount of EUR 1.3 million. Transactions after the acquisition dates accumulated EUR 35.1 million in turnover for the Group and EUR 1.2 million in net profit. The acquisitions generated EUR 0.7 million in negative goodwill, which is included in other operating income.

EUR 1,000	**Fair value**	**Acquiree's current book value**
Property, plant and equipment	22,198	18,717
Goodwill	15,723	
Other intangible assets (trademarks)	9,031	25
Inventories	4,016	4,016
Receivables	4,029	3,713
Cash and cash equivalents	20	20
Total assets	55,017	26,491
Deferred tax liabilities	3,298	51
Interest-bearing liabilities	7,500	7,036
Other liabilities	6,581	6,581
Total liabilities	17,379	13,668
Net assets	37,638	12,823
Purchase prices	36,915	
Cash and cash equivalents of acquired companies	20	
Effect on cash flow	36,895	

Pit-Product's acquisition cost was specified in 2006, which increased the goodwill generated by the acquisition by EUR 2.6 million.

16. OTHER OPERATING INCOME, EUR 1,000

	2006	**2005**
Rental income	20	13
Income recognition of negative goodwill		723
Proceeds from fixed assets	10,094	615
Other	1,060	1,256
Total	11,174	2,607

17. MATERIALS AND SERVICES, EUR 1,000

	2006	**2005**
Materials and supplies	683,592	607,069
Changes in stock	5	-4,554
External services	20,874	17,876
Total	704,471	620,391

18. EMPLOYEE BENEFITS, EUR 1,000

Employee benefits	2006	2005
Salaries and wages	144,768	131,522
Pension costs – contribution plans	26,040	24,223
Pension costs – benefit-based plans	-27	-73
Other staff-related expenses	16,630	19,226
Total	187,411	174,898

Group personnel on average by segment	2006	2005
Finland	2,325	2,319
Sweden	1,206	1,151
Russia and the Baltic countries	2,209	963
Total	5,740	4,433

19. DEPRECIATION AND IMPAIRMENT, EUR 1,000

Depreciation and impairment by group of assets:	2006	2005
Depreciation		
Intangible assets		
Trademarks	1,281	1,081
Other intangible assets	2,518	2,158
Total	3,799	3,239
Property, plant and equipment		
Buildings	7,814	7,191
Machinery and equipment	24,524	20,808
Other intangible assets	179	173
Total	32,517	28,172
Impairment		
Intangible assets		
Trademarks	1,514	
Total depreciation and impairment	37,830	31,411

20. OTHER OPERATING EXPENSES, EUR 1,000

	2006	2005
Lease payments	8,051	7,086
Energy costs	17,370	15,302
Transportation costs	16,224	14,379
Other	105,508	79,083
Other operating expenses, total	147,153	115,850

21. RESEARCH AND DEVELOPMENT COSTS, EUR 1,000

	2006	2005
The income statement includes R&D costs booked as costs to the amount of	7,442	6,711

22. FINANCIAL INCOME AND EXPENSES, EUR 1,000

	2006	2005
Interest expenses and other financial expenses	-10,724	-6,725
Interest income	3,314	3,563
Dividends received	70	20
Total	-7,340	-3,142

23. INCOME TAXES, EUR 1,000

Taxes in the income statement	2006	2005
Tax based on the taxable profit for the period	7,595	9,506
Retained taxes	411	452
Deferred tax	583	843
Total	8,589	10,801

Balancing of income statement taxes to profit before taxes	2006	2005
Profit before taxes	34,570	37,820
Taxes calculated with the parent company's 26 per cent tax rate	8,988	9,833
Effect of foreign subsidiaries' deviating tax rates	1,569	9
Effect of associates' earnings	-98	-207
Retained taxes	411	452
Effect of tax-free income	-2,967	
Effect of costs that are undeductible in taxation	288	713
Unrecognised deferred tax assets	398	
Total	8,589	10,801

24. 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.

	2006	2005
Profit for the period belonging to the owners of the parent company	25,105	26,164
Weighted average of shares for the period (1,000)	21,829	21,093
Basic earnings per share	1.15	1.24

When calculating the earnings per share adjusted by the dilution effect, the dilution effect from all potential dilutive conversions of ordinary shares are taken into account in the weighted average number of shares. The Group does not have any instruments that would have a dilution effect.

25. FINANCIAL RISK MANAGEMENT

The aim of the Group's financial risk management is to reduce the effect on earnings, balance sheet and cash flow from the price fluctuations in the financial markets and from other uncertainty factors and to ensure sufficient liquidity. The main risks are interest rate risk, currency risk, liquidity risk and commodity risk. The Board of Directors approves the general risk management principles and their practical implementation is the responsibility of the Group's financing department.

Interest rate risk: The Group's aim is to dilute the effect from an increase in the market rate on the interest rate costs paid by the Group and, on the other hand, take into account any increase in the market rate as soon as possible in interest income. Therefore, major part of the Group's loans have fixed rates, even if their interest rate encumbrance in the short-term is higher than the encumbrance of loans that fluctuate daily with the market rate. The Group's interest-bearing debt was EUR 244.2 million on 31 Dec 2006, of which 33.6 per cent has fixed interest rates.

Currency risk: The subsidiary acquisition prices are financed in euro and they are not hedged. This refers to the acquisition of the Lithuanian, Estonian and Russian companies. The financing of these companies has been carried out locally and in local currency, i.e. the loans of these subsidiaries generates no currency risk for the Group. The Group's other currency risks are low and are limited to exports to the US, Japan and Korea. The Group's financing department together with the operational units decide on possible hedging.

Liquidity risk: The Group's financing department acquired the majority of the Group's interest-bearing liabilities. The liquidity risk is reduced by a balanced maturity distribution in loans and through sufficient credit limits and commercial paper programmes. There was EUR 104.7 million in unutilised credit limits at the end of the year and EUR 53 million of the EUR 60 million commercial paper programme had not been used.

Credit risk: The biggest Group customers are franchising groups, and the Group's receivables from other customers are small in proportion to the scope of the operations.

Commodity risk: Of commodity risks, electricity prices have been hedged by purchasing electricity at a fixed price. A similar need exists in terms of the main raw material – meat – but there is no hedging method available.

26. OTHER LEASES, EUR 1,000

Group as lessor	2006	2005
Minimum lease payments based on non-cancellable leases		
Within one year	3,897	2,747
Within more than one year and a maximum of five years	13,900	9,995
After more than five years	15,724	8,375
Total	33,521	21,117

27. CONTINGENT LIABILITIES, EUR 1,000

Debts with mortgages or other collateral given as security	2006	2005
Loans from financial institutions	90,441	79,774
Pension fund loans	7,007	6,154
Total	97,448	85,928
Mortgages and other securities given as comprehensive security		
Real estate mortgages	83,562	78,658
Corporate mortgages	44,158	44,172
Other security	52,637	47,265
Total	180,357	170,095
Guarantee engagements not included in the balance sheet		
Unused limits	104,665	107,840
Guarantees	27,799	13,502

28. RELATED PARTY TRANSACTIONS, EUR 1,000

The Group's parent and subsidiary relations are as follows:	Domestic	Ownership interest (%)	Share of votes (%)
Subsidiary shares owned by the parent company, Atria Group Plc:			
Atria Oy	Finland	100.0	100.0
Atria Concept Oy	Finland	100.0	100.0
Atria-Invest Oy	Finland	100.0	100.0
Atria Meat AB	Sweden	100.0	100.0
A-Farmers Ltd	Finland	97.9	99.0
Ab Botnia-Food Oy	Finland	100.0	100.0
Itikka-Lihapolar Oy	Finland	100.0	100.0
Kiinteistö Oy Tievapolku 3	Finland	100.0	100.0
Liha ja Säilyke Oy	Finland	100.0	100.0
Lithells AB	Sweden	100.0	100.0
Rokes Oy	Finland	100.0	100.0
Suomen Kalkkuna Oy	Finland	100.0	100.0
AS Valga Lihatööstus	Estonia	100.0	100.0
UAB Vilniaus Mesa	Lithuania	100.0	100.0
Subsidiary shares owned by Atria Oy:			
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 Nurmo Oy	Finland	100.0	100.0
A-Rehu Oy	Finland	52.0	52.0
A-Sikateurastamo Oy	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

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Atria-Tekniikka Oy	Finland	100.0	100.0
Atria-Tuoreliha Oy	Finland	100.0	100.0
Atria-Valmisruoka Oy	Finland	100.0	100.0
F-Logistiikka Oy	Finland	100.0	100.0
Subsidiary shares owned by Lithells AB			
Atria AB	Sweden	100,0	100,0
Atria Concept AB	Sweden	100,0	100,0
Atria Lithells AB	Sweden	100,0	100,0
Boss AB	Sweden	100,0	100,0
Lithells Meat & Fast Food AB	Sweden	100,0	100,0
Nordic Fast Food AB	Sweden	51,0	51,0
Nordic Fast Food Etabl AB	Sweden	100,0	100,0
Samfood AB	Sweden	100,0	100,0
Samfood Fastigheter AB	Sweden	100,0	100,0
Svensk Snabbmat för Storkök AB	Sweden	57,2	57,2
Subsidiary shares owned by Svensk Snabbmat för Storkök AB			
Frukt och Matgrossisten i Söderhamn AB	Sweden	100,0	100,0
Hedmans AB	Sweden	100,0	100,0
Härnösands Frukt och Grönt AB	Sweden	100,0	100,0
Matgrossisten i Skellefteå AB	Sweden	100,0	100,0
Norrsäljarna AB	Sweden	100,0	100,0
Subsidiary shares owned by AS Valga Lihatööstus:			
AS Alle	Estonia	100.0	100.0
OÜ Carmex Invest	Estonia	100.0	100.0
OÜ Linnamäe Peekon	Estonia	100.0	100.0
OÜ Puidukaubandus	Estonia	100.0	100.0
Subsidiary shares owned by Atria Invest Oy:			
OOO Atria Group	Russia	100.0	100.0
OOO PetroOptorg	Russia	100.0	100.0
OOO Pit-Logistics	Russia	100.0	100.0
OOO Pit-Product 409	Russia	100.0	100.0
OOO Pit-Product 668	Russia	100.0	100.0
OOO Pit-Product K	Russia	100.0	100.0
OOO Pit-Product M	Russia	100.0	100.0

Group joint ventures and associates and other related parties	Domestic	Ownership interest (%)	Share of votes (%)
Group joint ventures:			
Best-In Oy	Finland	50.0	50.0
Länsi-Kalkkuna Oy	Finland	50.0	50.0
Group associates:			
Foodwest Oy	Finland	33.5	33.5
Honkajoki Oy	Finland	47.8	47.8
OÜ LKT Invest	Estonia	26.0	26.0
Finnish Meat Research Institute, LTK co-operative	Finland	40.7	40.7
Tuoretie Oy	Finland	33.3	33.3
Other related parties:			
Itikka co-operative group			
Lihakunta co-operative group			
Pohjanmaan Liha co-operative group			

The following transactions were completed with the related parties:	2006	2005
Sale of goods		
Associates	752	671
Sale of services		
Associates	277	24
Rental income		
Associates	173	165
Other related parties	39	38
Purchase of goods		
Associates	7,222	6,883
Purchase of services		
Associates	25,126	21,250

Rent costs		
Other related parties	1,023	1,099
Accounts receivable		
Associates	104	69
Trade payables		
Associates	2,072	1,614
Debts to related parties		
Other related parties (debts to owners)	39,165	30,232

The sale of goods and services to the related parties are based on the Group's valid price lists. The majority of services purchased were the logistics services of Tuoretie Oy. Debts to related parties are loans that can be called in immediately; their interest rate is tied to the 6-month Euribor rate.

Management employee benefits	2006	2005
Salaries and other short-term employee benefits	2 093	878

The retirement age for the CEO and Deputy CEO is 62 years. The Group management employee benefits have been included since 2006.

Management salaries and benefits	2006	2005
CEO, Member of the Board		
Paatelainen Seppo, CEO until 31 Jan 2006	81	360
Tikkakoski Matti, CEO since 1 Feb 2006	319	
Deputy CEO		
Juha Gröhn	203	194
Members of the Board of Directors		
Selin Martti, Chairman, member since 28 June 2005	45	25
Penttilä Reino, Chairman, member until 28 June 2005		5
Komulainen Timo, Deputy Chairman	63	52
Heikkilä Tuomo	20	8
Lillandt Runar	24	9
Tikkakoski Matti, CEO		
Roivas Erkki, Financial Director, member until 27 June 2006		
Saarinen Leena, member since 27 June 2006	11	
Yliluoma Ilkka	39	20
Members of the Supervisory Board		
Vornanen Ahti-Pekka, Chairman	37	36
Panula Heikki, Deputy Chairman, since 28 June 2005	22	8
Other members of the Supervisory Board, total	29	17

29. BIOLOGICAL ASSETS, EUR 1,000

	2006	2005
Biological assets are included in the following items:		
Tangible assets (productive animals)	796	887
Inventories (other biological assets)	2,279	1,984
Total	3,075	2,871
Biological assets:		
At the beginning of the period	2,871	
Acquisition of subsidiaries		1,715
Change during financial year	204	1,156
At end of period	3,075	2,871
Production:		
Chicken chicks/1,000	18,744	18,588
Turkey chicks/1,000	603	518
Young chickens and turkeys/1,000	194	156
Pork/1,000 kg	2,197	1,838
Beef/1,000 kg	199	137
Milk/1,000 kg	4,014	3,437

30. EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

Atria Group Plc announced the purchase of the majority of Swedish AB Sardus on 19 February 2007. The purchase price for 57.1 per cent of the shares was EUR 80 million. Atria intends to acquire the entire share capital of the company. The current deal was closed at a share price of SEK 115, and the rest of the shares will be purchased at the same price. The total purchase price will thus be EUR 126 million. Together with various acquisition costs, the total cost of the acquisition will be EUR 127 million.

The purchase price exceeds the equity of the company as listed in the balance sheet by EUR 86 million. The overpricing will be targeted at the tangible and intangible assets of the acquired group according to IFRS regulations, with the remaining proportion becoming goodwill value.

The table below contains the Group's unaudited income statement and balance sheet according to the financial statement bulletin published by Sardus on 31 January 2007. Reference data from the previous year is included.

Income statement, 1 Jan–31 Dec	**2006**	**2005**
Turnover	232.1	210.2
Operating profit	8.9	10.5
Financing	-4.9	-4.0
Profit before taxes	4.0	6.5
Taxes	-1.0	-1.8
Profit for the period	3.0	4.7
Balance sheet, 31 Dec		
Assets	**2006**	**2005**
Tangible assets	54.5	55.8
Intangible assets	46.3	46.8
Financial assets	0.1	0.3
Inventories	25.7	24.2
Trade and other receivables	30.4	25.1
Cash in hand and at bank	25.1	9.1
Total	163.0	161.4
Equity and liabilities		
Shareholders' equity	40.7	41.1
Long-term borrowed capital	92.5	90.5
Short-term borrowed capital	29.8	29.8
Total	163.0	161.4

Atria has had no mutual trade with Sardus. Hence the effects of the trade on the result of Atria Group can be assumed to equal the information in Sardus' income statement for 2006; in other words, the Group's turnover should increase by the amount of the turnover of Sardus. In addition to the profit brought in by Sardus, the financing costs of the deal and possible depreciations of tangible and intangible assets due to the targeting of the purchase price will also have an effect on the financial result of the Atria Group.

Sardus is undergoing a development programme aiming at improving profitability. The goal of the project is to launch a strong profit development. Management has been reorganised, and personnel cuts will be made to improve profitability. Purchases, production and logistics will be the main targets of the cost savings. Sardus is aiming at annual savings of approximately EUR 6.5 million in these areas over the next five years. Other central objectives of the development plan are to strengthen the company's brands and to intensify marketing and product development.

The purchase is expected to have a positive effect on the profit and the earnings per share of the Atria Group for 2008.

Atria Group Plc will finance the share transaction with available cash and current bank loans. The annual interest burden caused by the financing of the deal is estimated to be EUR 5 million.

As a consequence of the deal, the Group's balance sheet total will increase to EUR 980 million, which means an equity ratio of 32 per cent.

The purchase is part of Atria's goal to become one of the leading food industry companies in the Baltic Sea region.

The Swedish food industry is undergoing a structural change and integration development, and there are a limited number of major operators. Price competition has been tightened by the emergence of new discount chains operating in daily consumer goods retail, as well as by the rising market share of private brands. Merging Atria and Sardus strengthens the ability of both companies to respond to the new challenges set by the integrating markets.

There is a clear industrial logic behind the purchase. Together, the companies complement each other and form a stronger operator with a wide selection of strong brands. The merger is expected to produce synergy benefits for product development, purchases, logistics, production and marketing. The wider product range and the synergy benefits form the main accelerators of growth and they strengthen the brands and product groups of both companies.

After the merger, Atria and Sardus will have the potential to become one of Sweden's leading food industry suppliers and business partners for customers operating in daily consumer goods, institutional kitchens and fast food. The position of the companies is also strengthened in relation to other interest groups.

Sardus will be integrated with Atria's industrial operations in Sweden and will be reported within the Swedish segment.

Starting from the beginning of 2007, the names of the Atria Group's subsidiaries operating in various geographical areas were unified under the Atria name. The operations in Finland are run by Atria Finland Ltd, in Sweden by Atria AB, in the Baltic countries by Atria Baltic and in Russia by Atria Russia. This will also cause adjustments to segment reporting, starting from the beginning of 2007.

BALANCE SHEET, EUR 1,000

	31 Dec 2006	31 Dec 2005
Assets		
FIXED ASSETS		
Intangible assets		
Intangible rights	228	254
Other long-term expenditure	5,698	5,576
Intangible assets, total	5,926	5,830
Tangible assets	258,323	237,574
Investments		
Interests in Group companies	141,305	121,251
Interests in associates	2,805	2,555
Other shares and interests	953	1,029
Investments, total	145,063	124,835
TOTAL FIXED ASSETS	409,312	368,239
CURRENT ASSETS		
Long-term receivables	6,000	4,500
Short-term receivables	23,205	24,958
Cash in hand and at bank	1,921	203
TOTAL CURRENT ASSETS	31,126	29,661
Total assets	440,438	397,900
Liabilities		
SHAREHOLDERS' EQUITY		
Share capital	39,258	35,858
Share premium	138,502	104,352
Retained earnings	46,708	38,420
Profit for the period	13,520	20,838
TOTAL SHAREHOLDERS' EQUITY	237,988	199,468
ACCRUED APPROPRIATIONS		
Depreciation difference	52,440	50,642
BORROWED CAPITAL		
Long-term borrowed capital	95,295	67,416
Short-term borrowed capital	54,715	80,374
TOTAL BORROWED CAPITAL	150,010	147,790
Total liabilities	440 438	397 900

INCOME STATEMENT, EUR 1,000

	1 Jan-31 Dec 2006	1 Jan-31 Dec 2005
TURNOVER	35,027	29,789
Other operating income	2,057	615
Materials and services		-1
Staff expenses	-973	-1,071
Depreciation and impairment		
Planned depreciation	-21,731	-20,724
Other operating expenses	-5,818	-3,552
OPERATING PROFIT	8,562	5,056
Financial income and expenses	-2,526	534
PROFIT BEFORE EXTRAORDINARY ITEMS	6,036	5,590
Extraordinary items	13,050	21,150
PROFIT BEFORE APPROPRIATIONS AND TAXES	19,086	26,740
Appropriations	-1,798	-257
Income taxes	-3,767	-5,645
NET PROFIT FOR THE ACCOUNTING PERIOD	13,521	20,838

SIGNATURES AND AUDIT REPORT

Signatures to the financial statements and annual report

Seinäjoki, 26 March 2007

Martti Selin
Chairman

Timo Komulainen

Tuomo Heikkilä

Runar Lillandt

Leena Saarinen

Ilkka Yliluoma

Matti Tikkakoski
President and CEO

Auditor's note

These financial statements and annual report have been drawn up in compliance with good bookkeeping practice. A report on the audit performed has been issued today.

Seinäjoki, 26 March 2007

Eero Suomela
Chartered Public Accountant

Pekka Loikkanen
Chartered Public Accountant

Audit report

To the shareholders of Atria Group Plc

We have audited the accounting, financial statements and corporate governance of Atria Group Plc for the financial period from 1 January to 31 December 2006. The Board of Directors and the President have drawn up consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS) approved for use in the EU, and the annual report and parent company financial statements in accordance with rules and regulations valid in Finland, containing the balance sheet, income statement, financial statement and notes to the financial statements of the parent company. Based on the audit, we present our opinion on the consolidated financial statements, the parent company's financial statement, the annual report and corporate governance.

We have conducted the audit in accordance with good auditing practice. The accounting and the manner of the drawing up of the financial statements and annual report, their content and manner of presentation were audited with sufficient scope to enable us to determine that the financial statements and annual report do not contain material mistakes or shortcomings. Auditing of the company's governance has involved looking into the legality of the actions of the members of the parent company's Supervisory Board and Board of Directors and the President within the scope of the provisions of the Finnish Companies Act.

Consolidated financial statements

The consolidated financial statements drawn up in accordance with International Financial Reporting Standards (IFRS) approved for use in the EU, present correct and sufficient information on the Group's results concerning operations and financial status, as directed in these standards and the Finnish Accounting Act.

Parent company financial statements, annual report and corporate governance

The parent company's financial statements have been drawn up in accordance with the Finnish Accounting Act and other rules and regulations pertaining to the compilation of financial statements, and present correct and sufficient information on the parent company's results concerning operations and financial status, as directed in these standards and the Finnish Accounting Act.

The annual report has been drawn up in accordance with the Finnish Accounting Act and other rules and regulations pertaining to the compilation of annual reports. The annual report is consistent with the financial statements and presents correct and sufficient information on the Group and parent company's results concerning operations and financial status, as directed in the Finnish Accounting Act.

The consolidated and parent company financial statements can be affirmed and the members of the Supervisory Board and the Board of Directors and the President of the parent company can be discharged from liability for the period audited by us. The Board of Directors' proposal for distribution of the retained earnings is in compliance with the provisions of the Finnish Companies Act.

Seinäjoki, 26 March 2007

Eero Suomela
Chartered Public Accountant

Pekka Loikkanen
Chartered Public Accountant

Environmental protection principles and systems

The basic premise in the development of Atria's environmental protection and environmental systems is that the operation of the Group's production plants takes place in accordance with valid permits controlled by the public authorities. The environmental systems are certified in accordance with the ISO 14001 standard at Atria Oy's Nurmo, Kauhajoki and Kuopio production plants. The same level of attention to environmental matters is applied at other units.

The principles in use within the Group steer matters such as pre-treatment of wastewater, composting, treatment of slaughterhouse waste, recycling and the use of energy.

The final treatment of wastewater takes place in municipal wastewater treatment plants. In addition to this, all of our slaughterhouses have their own pre-treatment plants. Sewage sludge and liquid manure is composted. Slaughterhouse waste is processed into raw material as feed for fur animals or treated in separate treatment plants by drying it and then burning it. No waste from slaughterhouses or meat-processing plants is taken to landfills.

Energy consumption, recycling of packaging material and the amounts of waste are monitored, and their use is improved through continuous improvement. Energy recovery, particularly as regards the heat dissipated by refrigeration technology and high-temperature processes, has been implemented as widely as possible within the constraints of profitability.

The prices of various forms of energy have continued to rise significantly. The price of electrical energy has increased by tens of per cent in the space of a couple of years and the price of oil was high in 2006. Moreover, the cost of waste disposal has also risen, the price development of composting is following the same trend and there is still considerable pressure to raise prices in the next few years.

Due to this, Atria is primarily studying potential alternatives in an endeavour to reduce the amount of waste and to make use of it as part of our energy supply. Potential alternatives include, for instance, processing compostable materials in a biogas plant and recovering the gas generated there and/or heat generation in a solid fuel boiler plant.

Environmental expenses

Environmental expenses include wastewater expenses, other waste expenses, composting expenses, depreciation on wastewater treatment plants, composting areas and heat-recovery equipment. The interest paid on investments is not treated as an environmental expense. The same applies to the costs of processing the by-products of slaughtering; they are not deemed to be an environmental expense because this processing, like heat recovery, also reduces costs and generates income. Some environmental expenses have been separated from other expenses through estimation.

ENVIRONMENTAL EXPENSES EUR 1,000

	Group		Parent company	
	2006	**2005**	**2006**	**2005**
Waste treatment and prevention of waste formation				
- wastewater	2,257	2,123	6	7
- waste disposal	1,599	1,599	12	21
- depreciation on investments in environmental protection	29	29	0	0
Protection of outdoor air				
- discarding of freon	1	1	0	0

ENVIRONMENTAL EXPENSES, INVESTMENTS EUR 1,000

	Group		Parent company	
	2006	**2005**	**2006**	**2005**
Wastewater treatment equipment				
1 Jan	1,028	1,371	0	0
+ increase	0	0	0	0
- depreciation	-257	-343	0	0
31 Dec	771	1028	0	0
Composting areas				
1 Jan	80	106	0	0
+ increase	0	0	0	0
- depreciation	-20	-26	0	0
31 Dec	60	80	0	0
Heat recovery				
1 Jan	273	364	0	0
+ increase	0	0	0	0
- depreciation	-68	-91	0	0
31 Dec	205	273	0	0

ENVIRONMENTAL INDICATORS 2006

	Group		Parent company	
	2006	**2005**	**2006**	**2005**
Electricity consumption, MWh	189,254	192,151	0	0
Waste load, tonnes	6,663	6,325	0	0
Biological oxygen demand, tonnes	1,412	1,761	0	0
Heat recovery, MWh	36,806	37,946	0	0
Water consumption, m^3	2,297,979	2,377,529	0	0

Atria Group Plc's Corporate Governance

Atria Group Plc's corporate governance is based on Osakeyhtiölaki (Finland's Companies Act) and on Atria Group Plc's articles of association. Accordingly, the responsibility for the supervision and administration of the company is shared among the shareholders (who are represented at the company's AGM), the Supervisory Board, the Board of Directors, and the company's CEO. The role of the company's other administrative bodies is to assist these.

General Meeting
The company's supreme decision-taking body is the General Meeting. The Annual General Meeting (AGM) proper must be convened annually within six months of the end of the accounting period on a day to be decided upon by the Board of Directors.

The AGM shall be presented with:
- the financial statements comprising the profit and loss account and balance sheet;
- annual report;
- the auditor's statement;
- the Supervisory Board's report on the financial statements and the auditor's statement;

The AGM shall decide on:
- the approval of the income statement and of the balance sheet;
- the measures to be taken on account of the approved balance sheet; discharging the members of the Board of Directors,
- Supervisory board and the CEO from liability;
- the number of members on the Supervisory Board and
- their remuneration; the number of auditors and deputy auditors.

The AGM shall elect:
- those members of the Supervisory Board, whose turn it is to resign;
- the auditors and deputy auditors.

Supervisory Board
The company has a Supervisory Board with a membership of at least 18, but no more than 21, who are appointed for three years at a time. Members of the Supervisory Board resign by the drawing of lots as follows: at the end of the first year six, at the end of the second year six, at the end of the third year the rest, and thereafter in turns. Those whose turn it is to resign can be re-elected. Persons over the age of sixty-five (65) may not be elected to membership of the Supervisory Board.

The Supervisory Board elects from within its membership a chairperson and a deputy chairperson for one year at a time. The Supervisory Board has the task of supervising the administration of the company as implemented by the Board of Directors and the CEO.

The Supervisory Board's other tasks include:
- submitting of statements to the AGM on the financial statements and the auditor's statement;
- electing the members of the Board of Directors, and deciding which members of the Board of Directors will become the Chairman and Vice-Chairman, and termining their remuneration and the reimbursement of their travel expenses;
- issuing instructions to the Board of Directors on matters that are of far-reaching consequence or important in principle.

Board of Directors
The company's administration and appropriate organising of its activities shall be attended to by a Board of Directors with at least five (5) and no more than seven (7) members proper elected by the Supervisory Board for three calendar years at a time. Members of the Board of Directors resign, initially or if thus decided by the Supervisory Board, by drawing of lots as follows: at the end of the first year two, at the end of the second year two, at the end of the third year three, and thereafter in turns. Those whose turn it is to resign can be re-elected. However, persons over the age of sixty-five (65) may not be elected to membership of the Board of Directors.

CEO
The company shall have a CEO and the CEO shall be required to manage the running of the company in compliance with the instructions and orders of the Board of Directors.

Corporate governance recommendation for listed companies
The recommendation is intended to be complied with by companies listed on Helsinki Exchanges.

It is intended to be observed in accordance with the so-called "Comply or Explain" principle such that companies should comply with the entire recommendation, but if a company for some reason deviates from it, it should account for the deviation and provide an explanation as to why it has done so.

Since 1 July 2004 Atria Group Plc has announced on its Internet website that it complies with this recommendation and the company has also indicated its deviations from it. Following the AGM held in the spring of 2005, information concerning deviations from the recommendation has been accompanied by the reason for the deviation. As of the annual report drawn up for 2004, an account of any deviations have been provided in the annual report.

Deviations from the recommendation:
In accordance with Atria Group Plc's articles of association:
- The Supervisory Board appoints the Board of Directors, which shall, for three years at a time, have a membership of 5 – 7 members proper (deviation with regard to recommendations 4, 10, 13 and 17).
- The company has a Supervisory Board, which appoints the members and deputy members of the Board of Directors, and decides who of the Board of Directors shall be the Chairman and Vice-Chairman of the Board of Directors, and issues instructions to the Board of Directors in matters that are of far-reaching consequence or important in principle. (deviation with regard to recommendations 5, 10, 13 and 37).

The recommendations are explained in detail on Atria Group Plc's Internet pages (in the section Corporate Governance) and there is also an account of how matters related to the recommendations have been resolved in the company. The personal and ownership details of the the members of the Board of Directors are set out alongside recommendation no. 19, the fees and other benefits paid to the members of the Board of Directors are set out alongside recommendation no. 43, the salary and other benefits paid to the CEO are set out alongside recommendation no. 48, and the fees paid to the auditors are set out alongside recommendation no. 54.

Pictured from left: Ilkka Yliluoma, Heikki Panula (Vice Chairman of the Supervisory Board), Leena Saarinen, Martti Selin (Chairman of the Board), Runar Lillandt, Tuomo Heikkilä, Timo Komulainen, Ahti-Pekka Vornanen (Chairman of the Supervisory Board), Erkki Roivas and Matti Tikkakoski.

Board of Directors

	since
Chairman of the Board	
Martti Selin (60), Farmer	2005
Vice Chairman of the Board	
Timo Komulainen (53), Farmer, Bachelor of Natural Resources	1996
Member of the Board	1993
Members of the Board of Directors	
Tuomo Heikkilä (58), Farmer	1996
Runar Lillandt (62), Agricultural Counsellor	2003
Leena Saarinen (46), President, MSc (Food Sciences)	27.6.2006
Matti Tikkakoski (53), CEO, Economist	2006
Ilkka Yliluoma (60), Farmer	2002
Secretary to the Board	
Erkki Roivas (61), CFO, MSc (Econ.), MSc (Admin.)	2006
Member of the Board until 27 June 2006	1991

Supervisory Board

	since
Chairman of the Supervisory Board	
Ahti-Pekka Vornanen (47), Farmer, BSc (Econ.)	1999
Member of the Supervisory Board	1998
Vice Chairman of the Supervisory Board	
Heikki Panula (51), Farmer, MSc (Agric.)	2005

	since
Members of the Supervisory Board	
Juha-Matti Alaranta (41), Farmer	2000
Mika Asunmaa (36), Farmer	2005
Lassi-Antti Haarala (40), Farmer, Bachelor of Natural Resources	2006
Juhani Herrala (47), Farmer	2002
Henrik Holm (40), Farmer	2002
Pasi Ingalsuo (40), Farmer, Bachelor of Natural Resources	2004
Esa Kaarto (47), Farmer, MSc (Agric.)	2002
Veli Koivisto (54), Farmer	2006
Olavi Kuja-Lipasti (49), Farmer, MSc (Agric.)	1997
Markku Laitinen (49), Farmer	2002
Matti Olkkonen (59), Farmer	2001
Seppo Paavola (44), Farmer	2006
Pentti Pirhonen (52), Farmer	1999
Juhani Savolainen (57), Farmer, MSc (Agric.)	1999
Jouni Sikanen (44), Farmer	2006
Juho Tervonen (56), Farmer	2001
Timo Tuhkasaari (41), Farmer	2002

The following members of the Supervisory Board of Directors are due to resign: *Mika Asunmaa, Lassi-Antti Haarala, Juhani Herrala, Matti Olkkonen, Heikki Panula and Ahti-Pekka Vornanen.*

President and CEO

Matti Tikkakoski (53), Economist 1.2.2006

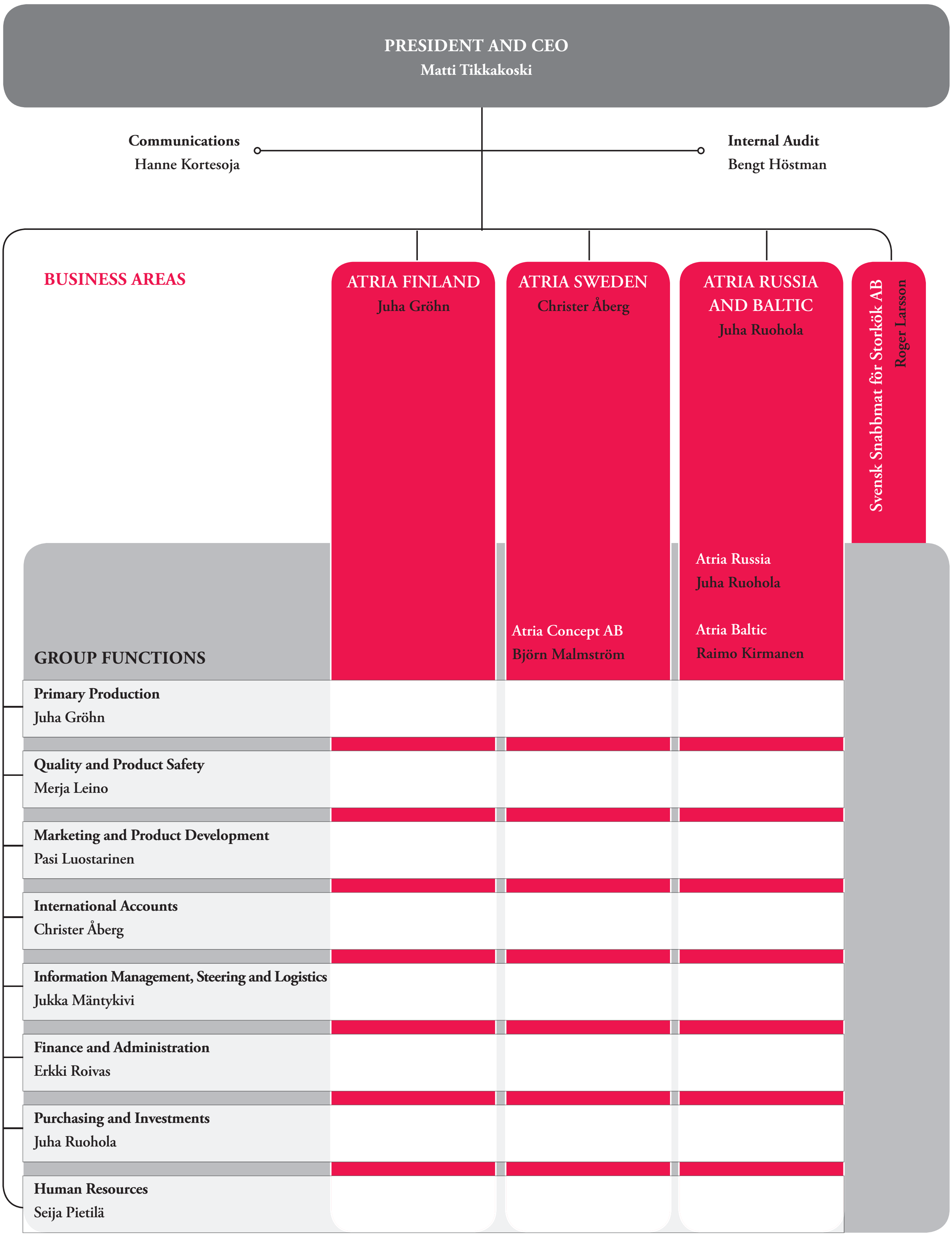
Auditors proper

Eero Suomela, Authorised Public Accountant
Pekka Loikkanen, Authorised Public Accountant

Deputy auditors

PricewaterhouseCoopers Oy, firm of Chartered Public Accountants
Markku Tynjälä, Authorised Public Accountant

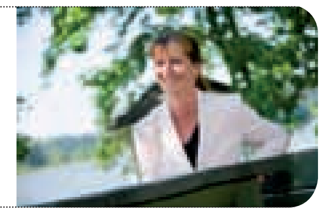
Organisation



Management Group

Matti Tikkakoski
President and CEO since 1 February 2006
MSc (Econ.), 53
Employed by the Group since 2006

Juha Gröhn
Director, Primary Production
Group Vice President and Substitute Managing Director since 1999
Managing Director, Atria Finland Ltd since 2006
MSc (Food Sciences), 43
Employed by the Group since 1990

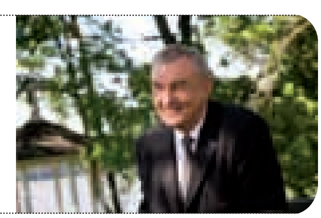


Merja Leino
Director, Quality and Product Safety
PhD (Phil.), 46
Employed by the Group since 1996

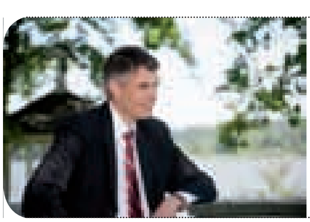
Pasi Luostarinen
Director, Marketing and Product Development
MSc (Econ.), 40
Employed by the Group since 2000

Christer Åberg
Director, International Accounts since 1 April 2006
Director, Atria Sweden since 1 April 2006
Managing Director, Atria AB since 2006
40
Employed by the Group since 2006

Jukka Mäntykivi
Director, Information Management, Steering and Logistics
Managing Director, A-Logistics Ltd
MSc (Soc.Sc.), 45
Employed by the Group since 2001



Erkki Roivas
Director, Finance and Administration
MSc (Econ.), MSc (Admin.), 61
Employed by the Group since 1975



Juha Ruohola
Director, Purchasing and Investments
Director, Atria Russia and Baltic since 2006
Director, Atria Russia; Managing Director, Pit-Product since 1st November 2006
MSc (Agriculture and Forestry), eMBA, 41
Employed by the Group since 1997

Seija Pietilä
Director, Human Resources since 11 December 2006
MSc (Econ.), 33
Employed by the Group since 2006

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Enjoy!

In connection with the Business Area reviews in this Annual Report, we introduce flavours from the different countries where Atria Group operates. The ideas for the dishes come from Development Manager Sami Hiltunen at Atria Finland Ltd.

These Finnish, Swedish and Russian delicacies are just waiting to be prepared. Enjoy!

FINLAND

Pepper steak and Duchesse potatoes

Pepper steak
600–800 g cleaned fillet of beef
2 dl fresh cream
1 tbsp Dijon mustard
0.25 dl soy sauce
1 dl rich beef stock
2 tbsp ground black pepper
0.3 tbsp cognac
salt
butter for frying

Cut the room temperature fillet of beef into four pieces and pound the meat into 3 cm thick steaks. Sprinkle black pepper on both sides.

Brown the meat in butter in a hot frying pan. Fry the steaks approximately one minute on each side. Pour the cognac into the pan, let the alcohol evaporate and remove the steaks from the pan. Then add the beef stock, mustard, soy sauce and cream. Let the sauce simmer for a while and stir until smooth. Add the steaks to the pan. Let the sauce boil down until it has thickened. Turn the steaks and simmer for 6–8 minutes.

Place the steaks on plates and season the sauce to taste with salt. Serve with vegetables and Duchesse potatoes. This dish is delicious with a full-bodied red wine.

Duchesse potatoes
1 packet (700g) Atria Mashed potatoes
3 egg yolks
0.5 tsp nutmeg
Mix the ingredients and pipe the potato mix into rosettes. Bake in the oven at 225 °C for approximately 10 minutes, or until the potatoes are golden brown.

SWEDEN

Steak Rydber
600 g cleaned fillet of beef or sirloin steak
4 large potatoes
2 onions
200 g pickled beetroot
200 g gherkins
4 egg yolks
salt
oil and butter for frying

Peel and dice the potatoes into approximately 1 cm cubes. Boil for 2–3 minutes in boiling salted water, then rinse quickly with cold water. Drain and dry the potatoes.

Chop the onion finely. Dice the meat into approximately 1.5 cm cubes. Dice the beetroot and gherkins into 1 cm cubes.

Fry the diced potatoes in the butter and oil mix until crisp. Keep hot. Wipe the pan, add more butter and sauté the onions until soft, add salt and keep hot. Clean and reheat the pan. Brown the meat in a drop of oil in small batches until medium done. Season with salt.

Place the ingredients on the plate in separate sections and serve each portion with a raw egg yolk.

Steak Rydberg is best served with a cold beer and schnapps.

RUSSIA

Russian Zakuska buffet with blini

Traditional buckwheat blini 8–12 pcs
Blini base
2.5 dl milk
1 tbsp dry yeast
2 dl fine buckwheat flour
1 tbsp salt
1 tbsp sugar

Warm the milk to body temperature. Add salt and sugar. Add the yeast to the buckwheat flour and add the flour mix to the milk. Cover a large bowl with a tea towel and leave to rise in room temperature until the following day.

Blini batter
1 batch blini base
0.5 bottle lager
2 egg yolks
2 dl wheat flour
2 egg whites
approx. 50–100 g butter for frying

Add the lager, egg yolks and wheat flour to the blini base. Beat the egg whites until stiff and fold into the mix carefully. Let the batter rest for approximately 15 minutes before frying.

Melt the butter in a microwave oven or on the hob but do not let it boil. Pour the clear butter carefully into another bowl. Heat a cast iron blini pan or pancake griddle and add the clarified butter. Add batter to the pan halfway up.

Fry the blini until crisp and brown on both sides. Serve with different fillings and beer and schnapps.

Fillings
Finely chopped onion, smetana (sour cream), caviar, Atria mushroom salad, Atria beetroot salad, Atria cold smoked ham, gherkins, honey, Forssan smoked salmon salad, Forssan chicken salad, Forssan cabbage and carrot salad, Forssan apple and beetroot salad.

Editing and layout: Selander & Co. Communications Agency, pictures: Sami Helenius and Atria Finland Ltd., crockery used in the pictures: Lasi-Koiso, printing house: Hämeen Kirjapaino Oy 4/2007

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