

Atria Plc

1 January – 30 September 2010

President and CEO
Matti Tikkakoski
27 October, 2010

Atria Group

Review Q2

€ Million	Q3 2010	Q3 2009	Q1-Q3 2010	Q1-Q3 2009	2009
Net sales	331.3	327.5	954.2	975.6	1,316.0
EBIT	-0.4	16.9	5.3	23.6	27.5
EBIT %	-0.1	5.2	0.6	2.4	2.1
Profit before taxes	-3.0	14.4	-1.3	13.3	16.5
Earnings per share, €	-0.22	0.35	-0.19	0.29	0.25
ROCE, 12 months rolling			1.0	5.8	3.1

- Disputes in the spring relating to collective bargaining weighed down Atria Finland's net sales and EBIT during the first half of the year. In Q3/2010, Atria Finland's result development was positive
- The rising prices of meat raw materials weakened Atria Russia's operative EBIT
- In Q3/2010, Atria recorded impairment loss of EUR 10.4 million for goodwill in Russia
- Atria Scandinavia's profitability in the first half of the year improved from the previous year
- The full-year EBIT and net sales of the Group in 2010 are expected to be below the levels seen in 2009

Atria Finland

Review Q3

€ Million	Q3 2010	Q3 2009	Q1-Q3 2010	Q1-Q3 2009	2009
Net sales	195.9	190.8	553.9	574.4	781.9
EBIT	11.9	13.9	22.9	31.7	42.9
EBIT %	6.1	7.3	4.1	5.5	5.5
ROCE, 12 months rolling			8.6	10.1	10.2

- Atria Finland's Q3/2010 net sales improved year-on-year by 2.7 per cent. However, the net sales for the entire period January - September were down year-on-year because of the disputes relating to collective bargaining in the spring
- During the summer season, Atria was particularly successful within the poultry product group
- The average price in the product range was lower than in the previous year's comparison period. However, cost efficiency has been good, resulting in good profitability

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Atria Finland

- The 10-day production break caused by the strike overloaded pig and bovine slaughterhouses in the summer, and clearing this backlog increased the amount of frozen stocks. The frozen stocks could not be cleared because of the record-high amount of imported meat in the market
- The steep rise in the price of feed at the end of the period under review has put heavy cost pressure on meat producers. The feed price is approximately 50 per cent higher than last year



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Atria Scandinavia

Review Q3

€ Million	Q3 2010	Q3 2009	Q1-Q3 2010	Q1-Q3 2009	2009
Net sales	98.9	104.4	293.6	306.4	405.2
EBIT	4.3	4.7	8.3	6.6	10.0
EBIT %	4.3	4.5	2.8	2.2	2.5
ROCE, 12 months rolling			4.5	2.1	4.0

- Atria Scandinavia's Q3/2010 net sales fell year-on-year by 5.3 per cent. In local currency, the decrease was 12.9 per cent. The decline in the net sales is mainly due to the discontinuation of consumer-packed meat production
- Despite the weakened sales, the Q3/2010 EBIT, excluding the non-recurring costs of EUR 0.3 million resulting from the discontinuation of consumer-packed meat production, came to EUR 4.6 million, which is at the same level as the Q3/2009 EBIT
- EBIT for the first three quarters of the year excluding non-recurring costs was EUR 10.6 million (EBIT % 3.6), which is better than in the previous year's comparison period (EUR 9.5 million, EBIT % 3.1). The Swedish krona strengthening against the euro has also had a positive impact on the company's earnings development

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Atria Scandinavia

- The efficiency improvement programme launched at the start of the year is progressing according to plan:
 - The Tyresö production plant located in the Stockholm region has been closed down and production has been transferred to the Skene plant
 - The production of delicatessen products has been transferred from Gothenburg to Skene
 - The Gothenburg plant has been turned into a delivery centre for delicatessen products
 - The production of consumer-packed meat was discontinued, and the Årsta plant was closed down at the end of the review period
- The market shares of Atria Scandinavia's brands have remained stable throughout the first three quarters of the year



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Atria Russia Review Q3

€ Million	Q3 2010	Q3 2009	Q1-Q3 2010	Q1-Q3 2009	2009
Net sales	33.7	28.7	97.0	83.1	113.0
EBIT	-15.4	-0.5	-20.3	-9.4	-9.8
EBIT %	-45.7	-1.7	-20.9	-11.3	-8.7
ROCE, 12 months rolling			-12.8	-10.0	-6.9

- Atria Russia's net sales increased in Q3/2010 by 17.4 per cent year-on-year. This was due to additional investments directed at sales both in St Petersburg and Moscow
- The Q3/2010 EBIT showed a loss of EUR 15.4 million (Q3/2009 EUR -0.5 million)
- During the review period, Atria Russia recorded impairments totalling EUR 10.4 million allocated to goodwill as a non-recurring item
- The weak performance was compounded by the sluggish market demand, weakened margins, increased marketing costs and, in particular, the sharp rise in the prices of meat raw materials
- Atria Russia's EBIT also includes non-recurring items relating to the Campomos acquisition and a real estate in Moscow. The company reached an agreement with the seller concerning the conditional purchase price for the Campomos acquisition during the Q3/2010 period. The positive net effect of these items was EUR 1.3 million

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Atria Russia

- Atria's market share in value increased in the St Petersburg area retail trade over the period January June 2010 to the level of about 20 per cent. Atria is the clear market leader in St Petersburg (Source: Business Analytica)
- The market share also strengthened in Moscow and was around four per cent (Source: Atria's own estimate)
- The prices of meat raw materials have increased sharply during Q3/2010 and the price rises are expected to continue for the remainder of the year
- The aim is to transfer the rise of raw material prices to the prices of end products, which may have a negative impact on net sales in the final quarter of the year



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Atria Baltic

Review Q3

€ Million	Q3 2010	Q3 2009	Q1-Q3 2010	Q1-Q3 2009	2009
Net sales	8.7	9.3	26.2	28.6	37.5
EBIT	-0.9	-0.9	-3.0	-3.4	-12.6
EBIT %	-10.3	-9.7	-11.5	-11.9	-33.6
ROCE, 12 months rolling			-30.3	-8.1	-26.5

- Atria Baltic's Q3/2010 net sales fell slightly year-on-year. Atria's net sales have decreased by 8.4 per cent from the start of the year
- In cold cuts, Atria's market share has remained around the 18 per cent level in Estonia during the first three quarters. In grill sausages, Atria is number one in the Estonian market with a market share exceeding 30 per cent (Source: AC Nielsen). Atria's sales of consumer-packed meat have continued to grow strongly during the first three quarters
- Atria Baltic's EBIT Q3/2010 remained at last year's level. The closing down of the Ahja plant in the early part of the year, as well as other efficiency improvement measures implemented, have improved the company's cost structure
- The price of animal feed in Estonia will raise the costs of Atria Baltic's pig meat production during the remainder of the year

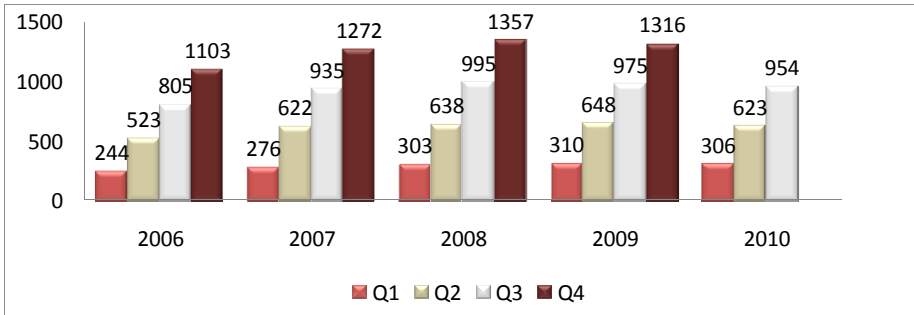
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Financial Development

Atria Group Net Sales

cumulative

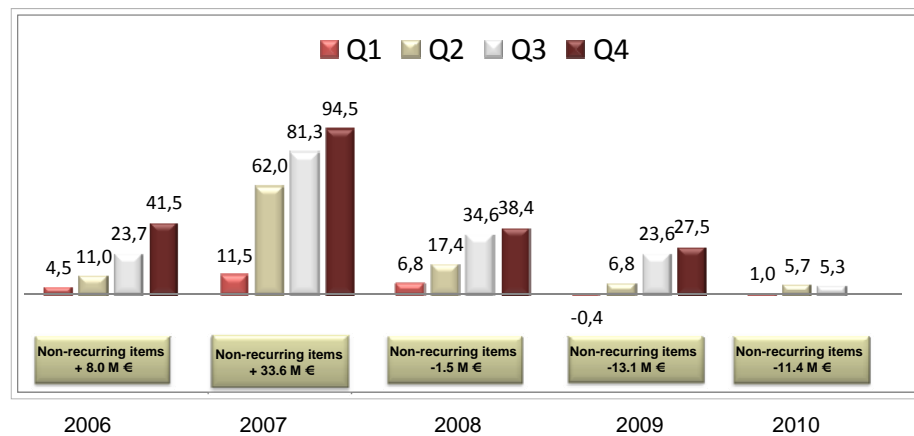
€ Million



Atria Group EBIT

cumulative

€ Million



Atria Group Financial indicators

€ Million	30 September 2010	30 September 2009	31 December 2009
Interest-bearing liabilities, M€	449.2	441.1	425.8
Total assets, M€	1,095.2	1,095.2	1,101.3
Equity ratio, %	40.1	39.9	39.7
Shareholders' equity per share, €	15.41	15.38	15.39
Personnel (average)	5,811	6,313	6,214

- Increased level of working capital, investments, strengthened Russian rouble and Swedish krona increased the Group's liabilities
- Efficiency programmes and the discontinuation of businesses reduced the amount of the personnel

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Atria Group Income Statement

€ Million	Q3	Q3	Q1-Q3	Q1-Q3	2009
	2010	2009	2010	2009	
NET SALES	331.3	327.5	954.2	975.6	1,316.0
Cost of goods sold	-290.0	-280.4	-840.8	-854.0	-1,151.0
GROSS PROFIT	41.3	47.1	113.4	121.6	165.0
% of Net sales	12.5	14.4	11.9	12.5	12.5
Other income	4.1	1.0	6.3	3.0	4.6
Other expenses	-45.8	-31.2	-114.4	-101.0	-142.1
EBIT	-0.4	16.9	5.3	23.6	27.5
% of Net sales	-0.1	5.2	0.6	2.4	2.1
Financial income and expenses	-2.9	-2.8	-7.9	-11.2	-12.4
Income from associates	0.3	0.3	1.3	0.9	1.4
PROFIT BEFORE TAXES	-3.0	14.4	-1.3	13.3	16.5
Income taxes	-2.8	-4.3	-3.1	-4.5	-9.1
PROFIT FOR THE PERIOD	-5.8	10.1	-4.4	8.8	7.4
% of Net sales	-1.8	3.1	-0.5	0.9	0.6
Earnings/share,€	-0.22	0.35	-0.19	0.29	0.25

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Atria Group Cash flow statement

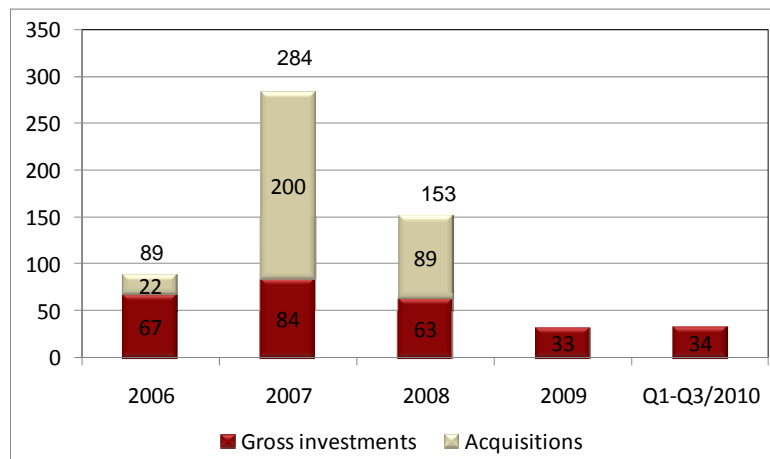
€ Million	Q1-Q3 2010	Q1-Q3 2009	2009
Cash flow from operating activities	31.4	50.3	92.7
Financial items and taxes	-26.9	-27.4	-31.0
CASH FLOW FROM OPERATING ACTIVITIES	4.5	22.9	61.7
Investing activities, tangible and intangible assets	-29.7	-20.2	-32.3
Investments	-5.1	-1.6	-1.8
CASH FLOW FROM INVESTING ACTIVITIES	-34.8	-21.8	-34.1
FREE CASH FLOW	-30.3	1.1	27.6
Loans drawn down	40.8	30.4	41.8
Loans repaid	-32.2	-37.8	-64.8
Dividends paid	-7.1	-5.7	-5.7
Acquired treasury shares		-0.7	-0.7
CASH FLOW FROM FINANCING, TOTAL	1.5	-13.8	-29.4
CHANGE IN LIQUID FUNDS	-28.8	-12.7	-1.8

- Weaker EBIT and changes in exchange rates decreased the Q3/2010 cash flow year-on-year

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Atria Group Gross investments

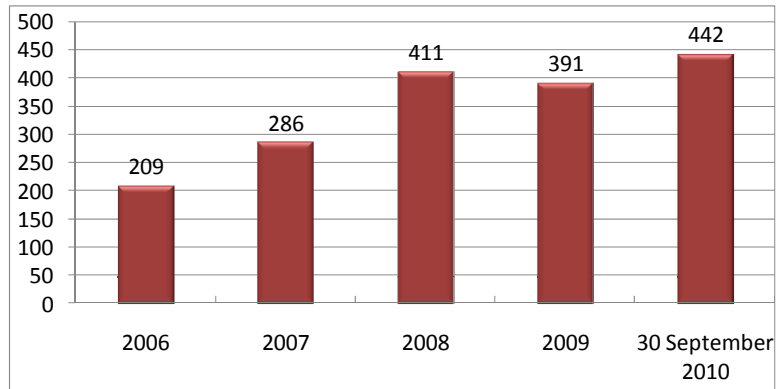
€ Million



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Atria Group Net debts

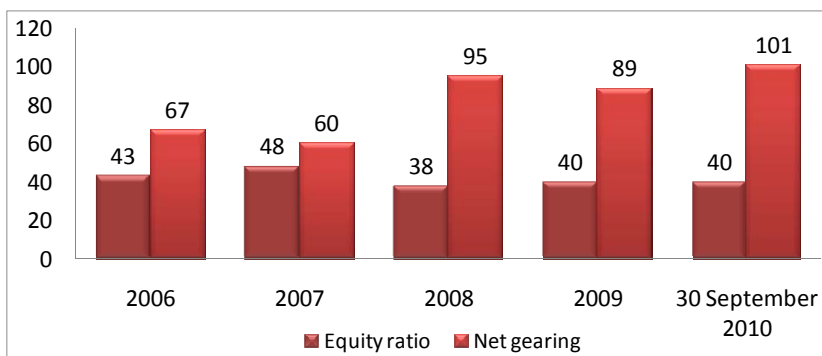
€ Million



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Atria Group Equity ratio & Net gearing

€ Million



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Events occurring after the review period

- **Kirsi Matero**, M.Sc. (Econ.), was appointed as the Group Vice President of Human Resources in Atria Plc, effective from 15 November 2010. Previously, Ms Matero has worked as the HR Director of Pfizer Ltd. She will be a member of the Atria Management Group and will report to the President and CEO, Matti Tikkakoski



Outlook for the future

- As a deviation from earlier guidance, the Group's EBIT in 2010 is predicted to remain below the 2009 EBIT level. In addition, as a deviation from earlier guidance, the Group's net sales in 2010 are predicted to fall somewhat below the 2009 level
- If the sluggishness in the meat product market continues in Russia, it will weaken the increase in Atria Russia's sales volumes. The prices of meat raw materials have increased significantly in Russia during the period August-September and the prices are expected to continue rising sharply for the remainder of the year. The aim is to transfer the rise of raw material prices to the prices of end products, which may have a negative impact on the Q4/2010 net sales. In addition, the company's decision to discontinue production of consumer-packed meat in Sweden will cut the Q4/2010 net sales
- The main reasons for the weakening of the predicted EBIT are Atria Russia's goodwill impairment loss and weakened prospects of results for the remainder of the year. Atria Russia's full-year operating loss is expected to grow significantly from last year. In addition to the difficult market situation, this year's performance is burdened by the costs of the new plant and increased investments in marketing

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