

Atria Plc

Interim Report

1 January – 30 September 2012

CEO
Juha Gröhn
1 November 2012

Atria Group

Review 1 January – 30 September 2012

€ Million	Q3 2012	Q3 2011	Q1-Q3 2012	Q1-Q3 2011	2011
Net sales	341.1	325.5	982.9	963.1	1,301.9
EBIT	16.6	9.0	22.4	3.8	8.0
EBIT %	4.9	2.8	2.3	0.4	0.6
Profit before taxes	13.1	5.4	12.9	-5.5	-4.7
Earnings per share, €	0.31	0.13	0.17	-0.21	-0.24
Extraordinary items*	0.0	0.0	0.0	0.1	-2.2

* Extraordinary items are included in the reported figures.

- Atria Group's EBIT improved considerably
- Atria Finland's EBIT increased to EUR 25.5 million (EUR 12.2 million)
- Atria Scandinavia's EBIT fell to EUR 6.3 million (EUR 9.7 million)
- Atria Russia's EBIT improved to EUR -4.7 million (EUR -14.5 million), and the Q3 EBIT was positive, amounting to EUR 0.6 million (EUR -3.3 million)

Atria Finland

Review 1 January – 30 September 2012

€ Million	Q3 2012	Q3 2011	Q1-Q3 2012	Q1-Q3 2011	2011
Net sales	205.1	197.5	598.1	586.8	793.7
EBIT	12.5	9.0	25.5	12.2	19.3
EBIT %	6.1	4.6	4.3	2.1	2.4
Extraordinary items*	0.0	0.0	0.0	0.0	-1.8

*Extraordinary items are included in the reported figures.

- **Atria Finland's** Q3/2012 net sales showed growth of EUR 7.6 million year-on-year.
- EBIT was EUR 3.5 million higher than the EBIT for the corresponding period last year. This increase was due to improved conditions in the meat market and higher sales prices especially in export and wholesale.
- Net sales for January–September increased by EUR 11.3 million.
- EBIT for the period was EUR 13.3 million higher than the EBIT for the corresponding period last year. This increase was due to improved conditions in the meat market, higher sales prices, an enhanced sales structure and implemented efficiency improvement measures.

Atria Finland



- According to Atria's own estimate, its market share in the retail trade in Q3 strengthened slightly compared to the first half of the year and the corresponding period last year, and exceeded 25 per cent. Compared to H1, the market shares of cold cuts, sausages and convenience foods have improved (source: Nielsen Panel Track).
- The modernisation of the Kauhajoki bovine slaughterhouse and cutting plant and the Seinäjoki chicken hatchery are progressing as planned.
- During the review period, Atria held open days for consumers at Atria's contract production farms. The objective was to increase openness and show how well and responsibly pork is produced in Finland.

Atria Scandinavia

Review 1 January – 30 September 2012

€ Million	Q3 2012	Q3 2011	Q1-Q3 2012	Q1-Q3 2011	2011
Net sales	100.1	93.5	284.6	277.1	374.9
EBIT	4.4	4.7	6.3	9.7	13.8
EBIT %	4.3	5.0	2.2	3.5	3.7
Extraordinary items*	0.0	0.0	0.0	0.0	0.7

*Extraordinary items are included in the reported figures.

- **Atria Scandinavia's** Q3/2012 net sales increased by EUR 6.6 million year-on-year.
- EBIT was EUR 0.3 million lower than in the comparative period.
- Net sales for January–September increased by EUR 7.5 million.
- EBIT for January–September was EUR 3.4 million lower than in the comparative period.
- The reason for this decrease was the higher price of meat raw material. Atria has not been able to pass on all of the increased raw material costs to sales prices.



Atria Scandinavia

- A strong upward trend continued in the sale of Atria's own brands. The growth of Atria's market share in meat products exceeded the market growth.
- The market shares of the Lönneberga and 3-Stjernet cold cut products strengthened (source: AC Nielsen).
- The sale of Foodservice products has increased markedly.
- In February, a programme was launched to improve the profitability of Atria Scandinavia's production of meat products. The programme is expected to generate annual cost savings of approximately EUR 1.5 million. The savings will begin to materialise in 2012 and will be fully effective from the beginning of 2013.



Atria Russia

Review 1 January – 30 September 2012

€ Million	Q3 2012	Q3 2011	Q1-Q3 2012	Q1-Q3 2011	2011
Net sales	33.9	31.0	93.5	91.8	123.0
EBIT	0.6	-3.3	-4.7	-14.5	-18.9
EBIT %	1.8	-10.7	-5.0	-15.8	-15.4
Extraordinary items*	0.0	0.0	0.0	0.0	0.0

*Extraordinary items are included in the reported figures.

- **Atria Russia's** EBIT for Q3/2012 improved by EUR 3.9 million over the comparative period.
- Net sales for January–September increased by EUR 1.7 million.
- EBIT for the period showed an improvement of EUR 9.8 million year-on-year.
- The considerable increase in EBIT was the result of the implementation of measures in line with the strategy. These included improving the cost structure, enhancing efficiency in raw material procurement and management, and strengthening the market position in the St Petersburg region.

Atria Russia



- During the first half of the year, Atria Russia launched a programme aimed at improving productivity at the Sinyavino and Gorelovo plants in St Petersburg.
- These measures are expected to generate annual cost savings of around EUR 2.0 million, which will be fully realised from the beginning of 2013.
- Meat products are now produced at the centralised Sinyavino and Gorelovo plants.



Atria Baltic

Review 1 January – 30 September 2012

€ Million	Q3 2012	Q3 2011	Q1-Q3 2012	Q1-Q3 2011	2011
Net sales	8.4	9.0	25.4	26.3	35.2
EBIT	-0.4	-0.4	-1.3	-0.4	-2.2
EBIT %	-4.2	-4.8	-5.0	-1.5	-6.1
Extraordinary items*	0.0	0.0	0.0	0.9	-0.3

*Extraordinary items are included in the reported figures.

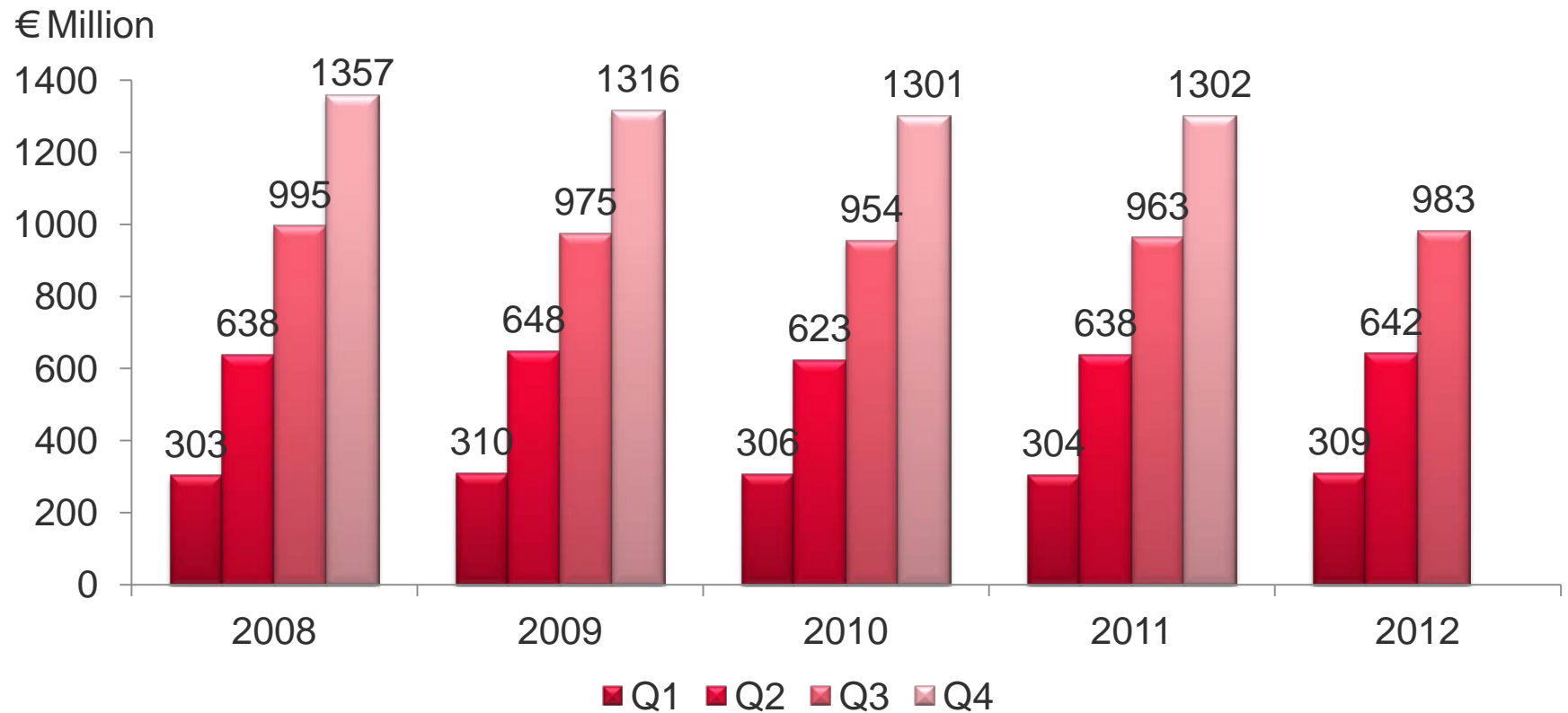
- **Atria Baltic's** Q3/2012 net sales amounted to EUR 8.4 million (EUR 9.0 million). EBIT was EUR -0.4 million (EUR -0.4 million).
- Raw material prices rose in the first half of the year, which is why the company raised sales prices. The implemented price increases reduced sales volumes, which in turn slowed down the development of net sales and EBIT in Q3.
- Net sales for January–September decreased by EUR 0.9 million.
- The result for the comparative period contain EUR 0.9 million of non-recurring profit.



Financial Development

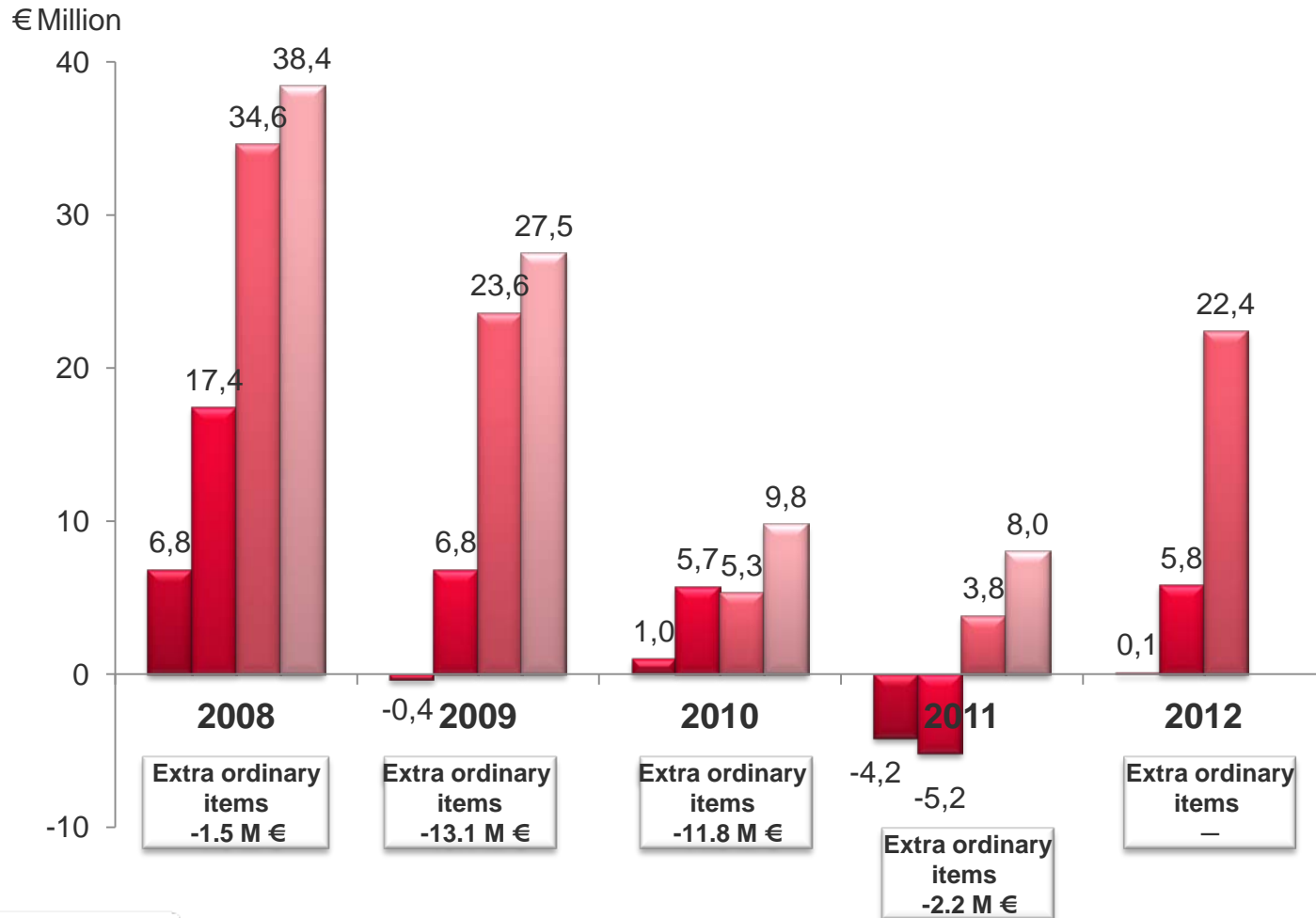
Atria Group Net Sales

cumulative, quarterly



Atria Group EBIT

cumulative, quarterly



Atria Group

Financial indicators

€ Million	30.9.2012	30.9.2011	31.12.2011
Shareholders' equity per share, EUR	15.07	14.74	14.81
Interest-bearing liabilities	425.8	423.5	409.4
Equity ratio, %	39.4	39.8	39.5
Gearing, %	99.2	101.0	97.1
Net gearing, %	97.4	98.9	95.5
Gross investments in fixed assets	41.2	36.9	47.0
Gross investments, % of net sales	4.2	3.8	3.6
Average number of employees	4,927	5,550	5,467

- On 30 September 2012, the Group's undrawn committed credit facilities amounted to EUR 151.8 million (on 31 December 2011: EUR 152.5 million).
- The average maturity of loans and committed credit limits at the end of the review period was 2 years 8 months (on 31 December 2011: 3 years 1 month).

Atria Group

Income Statement

€ Million	Q3 2012	Q3 2011	Q1-Q3 2012	Q1-Q3 2011	2011
NET SALES	341.1	325.5	982.9	963.1	1,301.9
Cost of goods sold	-291.8	-288.3	-857.5	-862.1	-1,162.7
GROSS PROFIT	49.3	37.2	125.4	101.0	139.2
<i>% of Net sales</i>	14.5	11.4	12.8	10.5	10.7
Other income	0.6	1.4	1.8	5.0	8.4
Other expenses	-33.4	-29.6	-104.9	-102.1	-139.7
EBIT	16.6	9.0	22.4	3.8	8.0
<i>% of Net sales</i>	4.9	2.8	2.3	0.4	0.6
Financial income and expenses	-3.5	-3.8	-10.8	-10.3	-14.1
Income from associates	-0.1	0.2	1.3	1.0	1.4
PROFIT BEFORE TAXES	13.1	5.4	12.9	-5.5	-4.7
Income taxes	-4.1	-1.6	-8.0	-0.4	-1.9
PROFIT FOR THE PERIOD	8.9	3.9	4.9	-5.9	-6.6
<i>% of Net sales</i>	2.6	1.2	0.5	-0.6	-0.5
Earnings/share, €	0.31	0.13	0.17	-0.21	-0.24

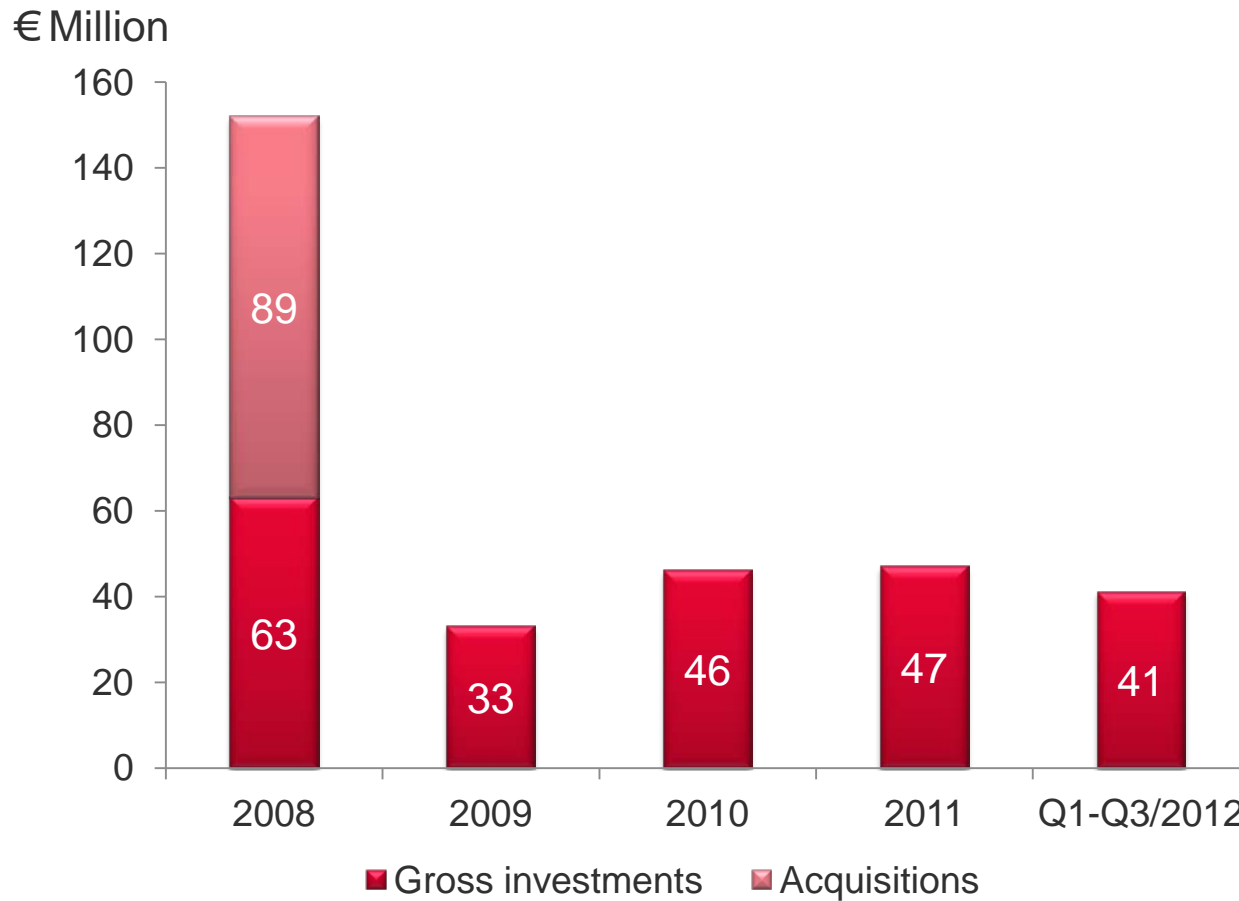
Atria Group

Cash flow statement

€ Million	Q1-Q3 2012	Q1-Q3 2011	2011
Cash flow from operating activities	42.2	36.8	61.0
Financial items and taxes	-6.5	-8.2	-10.7
Net cash flow from operating activities	35.7	28.6	50.3
Investing activities, tangible and intangible assets	-40.0	-24.0	-34.2
Disposal of subsidiary	0.0	2.0	2.0
Bought subsidiary	0.0	-6.1	-6.1
Investments	2.8	-1.1	-2.5
Net cash used in investing activities	-37.3	-29.2	-40.8
FREE CASH FLOW	-1.5	-0.6	9.5
Proceeds from non-current borrowings	30.0	50.0	50.0
Repayments of non-current loans and changes in current loans	-22.0	-51.7	-64.2
Dividends paid	-5.6	-7.0	-7.0
Net cash used in financing activities	2.4	-8.8	-21.2
CHANGE IN LIQUID FUNDS	0.9	-9.4	-11.7

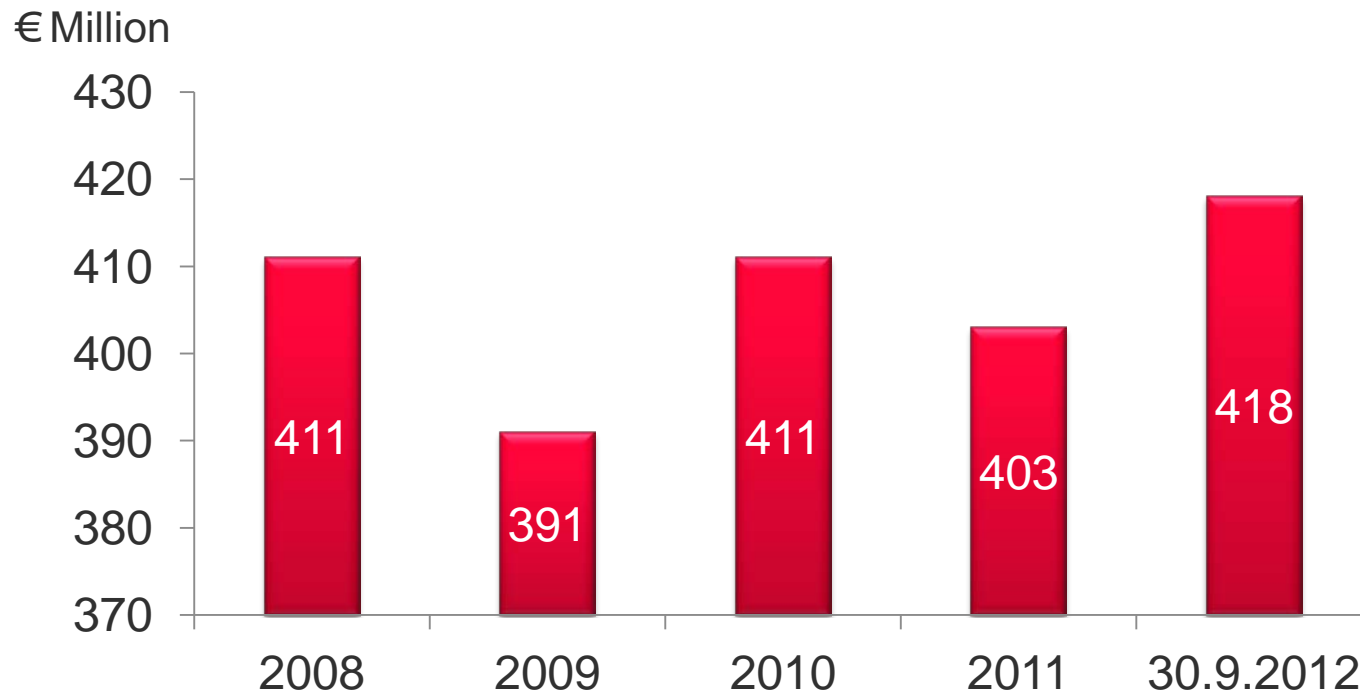
Atria Group

Gross investments



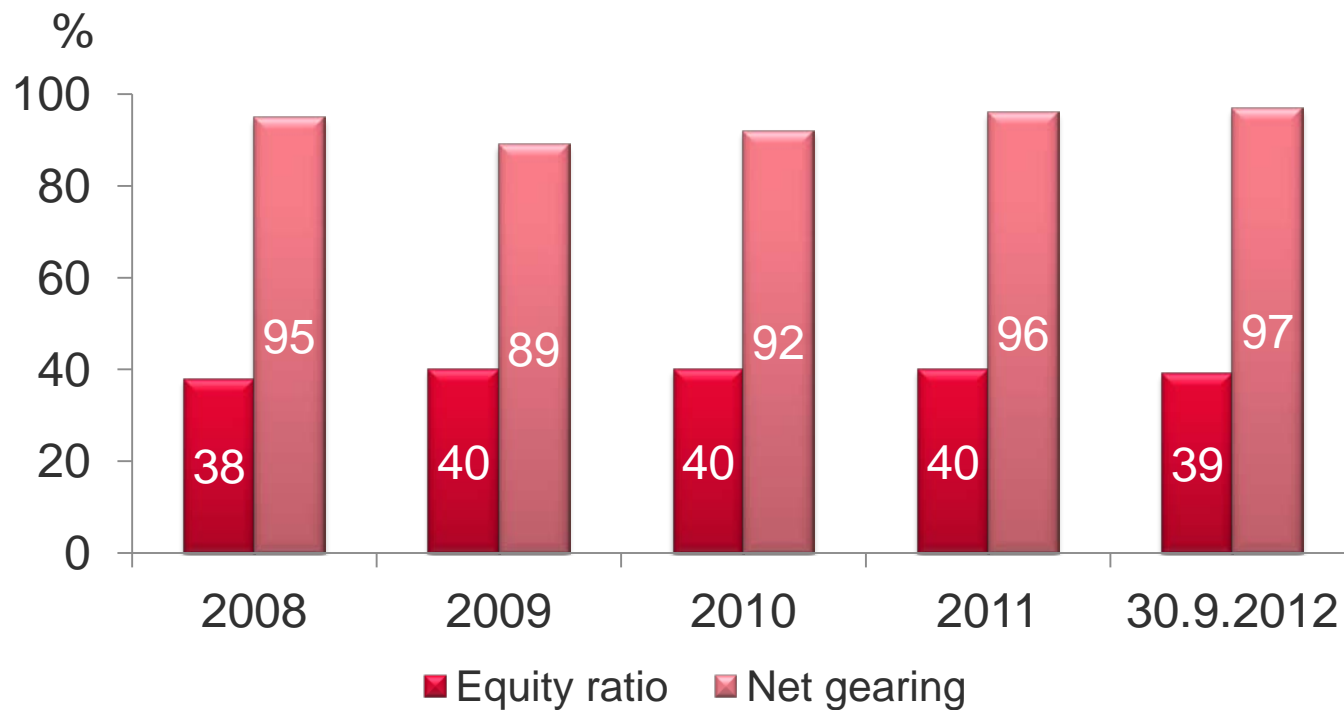
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Net debts



Atria Group

Equity ratio & Net gearing



Events occurring after the period

- Atria Finland began to investigate methods for increasing the efficiency of cured sausage production. Cured sausages are currently produced at the Kuopio plant. The Kuopio plant's entire cost structure, including support functions, are also being examined.
- Employer–employee negotiations concerning the reorganisation plans were launched on 1 October 2012.
- The negotiations affect a total of 18 people at the Kuopio production plant.

Outlook for the future

- The Group's EBIT was EUR 8.0 million in 2011.
- EBIT is expected to be considerably higher in 2012.
- Some growth in net sales is expected for 2012.

Atria's way to number 1

Strategy 2015



Atria's way to number 1

STRATEGY 2015

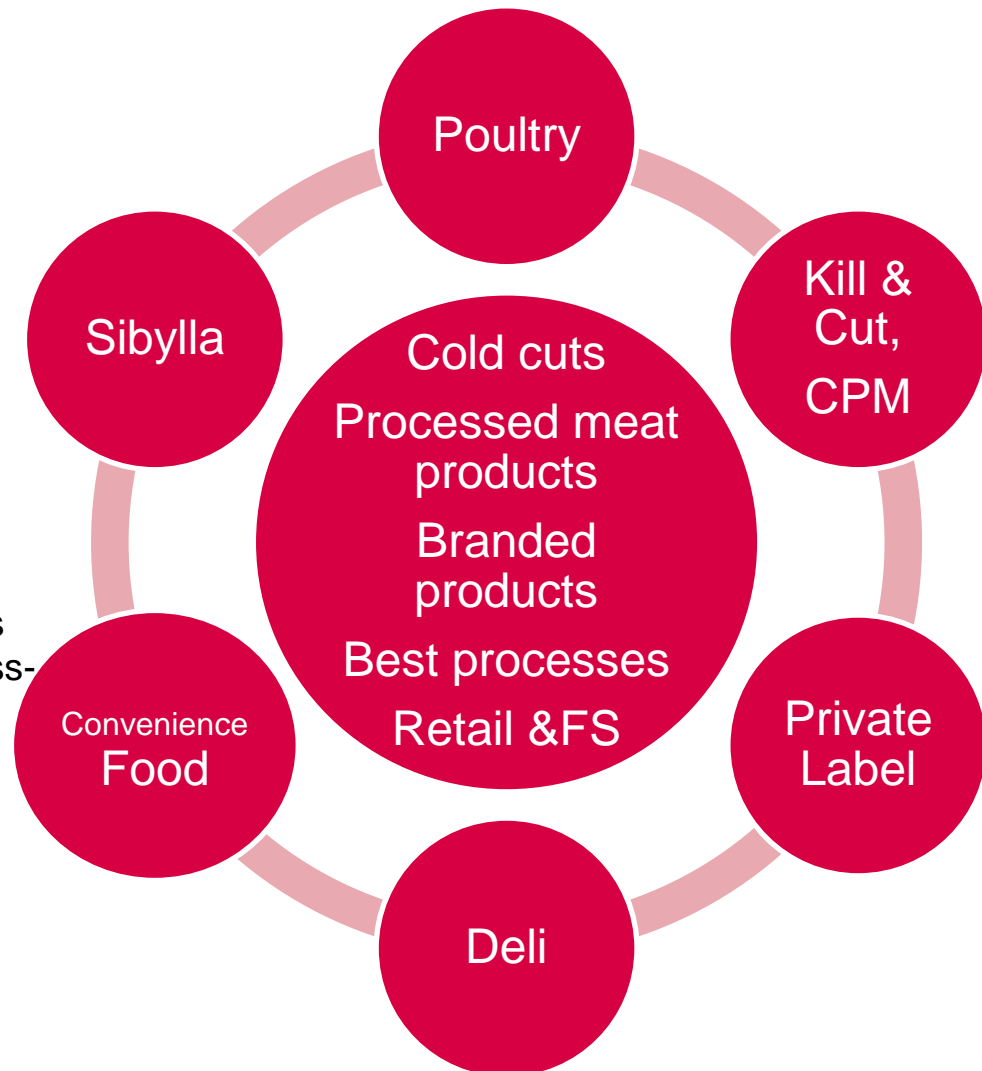


Atria's way to number 1

1 ATRIA

➤ Group core: cold cuts and processed meat products

- High volume and value potential.
- Strong expertise in recipes and production.
- Flexibility in sourcing.
- Strong categories in more or less all countries. Opportunity for cross-country synergies.
- State-of-the-art product portfolio.



➤ Local core

Commercial excellence through category leadership

1 COMMERCIAL EXCELLENCE

- Best branded products in defined categories.
- Industry-leading consumer understanding and segmentation.
- Preferred business partner through winning key account management.
- Creativity and will to develop the market.

Operational efficiency to improve margins

1 EFFICIENCY

- Best processes in the industry.
- Well managed R&D, production and procurement processes.
- Transparent and controlled upstream activities.

Unify the way we work and create bold, high performance culture

1 ATRIA WAY OF WORK

- Leadership, corporate values and culture that support strategy.
- Governance model enabling us to utilize expertise and resources with clear roles between HQ and BAs.
- Knowledge exchange and synergies utilized across organization.
- Positive, encouraging atmosphere. No fear of failure!

The Atria logo features the word "Atria" in a red, cursive script font. A green swoosh underline is positioned beneath the letters. A small registered trademark symbol (®) is located at the top right of the word.

Good food, better mood.

